

# **IRS PSA TRACKING STUDY**

**A summary report on the effects of  
PSA advertising for the 1998  
tax season**

**May, 1999**

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**Angell & Company**

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# Objectives

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The purpose of this taxpayer research project is to accurately and objectively monitoring any significant changes in taxpayer awareness of *E-file* options as a result of 1999 PSA communications.

# Methodology

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This study encompassed a total of **1605** WATS-line CATI telephone interviews with taxpayers. These interviews were divided in the following manner:

<u>Interviewing Dates</u>	<u>Number of Interviews</u>
December 16 – 30 (1998) ...	604
January 21 – 28 .....	200
February 11 – 17 .....	200
March 11 –18 .....	201
April 16 – 25 .....	400

# Screening

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All respondents were screened to ensure they ...

- ◆ Were at least 18 years of age;
- ◆ Had filed a 1998 federal tax return, or would be filing a 1998 federal tax return;
- ◆ Were the household member most responsible for deciding the method the household uses to file its federal tax return;

# Highlights

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# **Advertising Issues**

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Angell & Company

## Awareness of Federal Tax Return Advertising

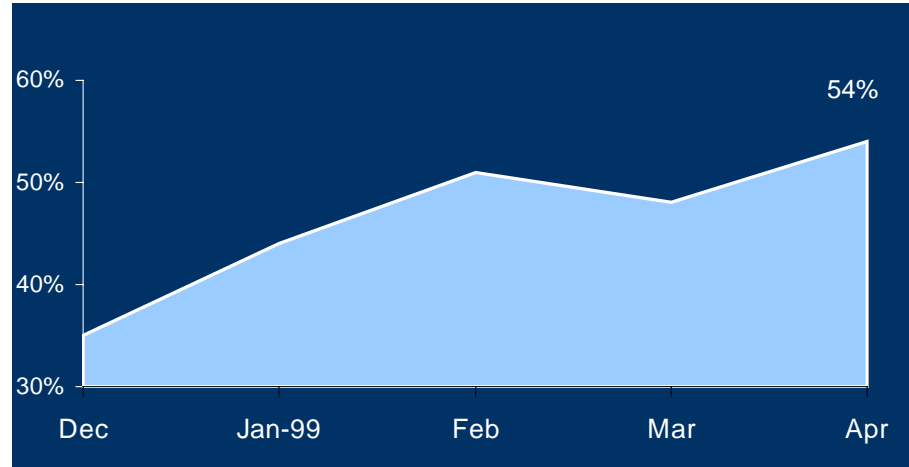
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After screening, all respondents were asked the following initial unaided question:

**“First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed?”**

Recall of advertising regarding filing options grew steadily through April. This growth resulted in a significant gain for the survey year of 19 percentage points (35% to 54%).

**Percent claiming to recall advertising regarding different ways tax returns can be filed.**





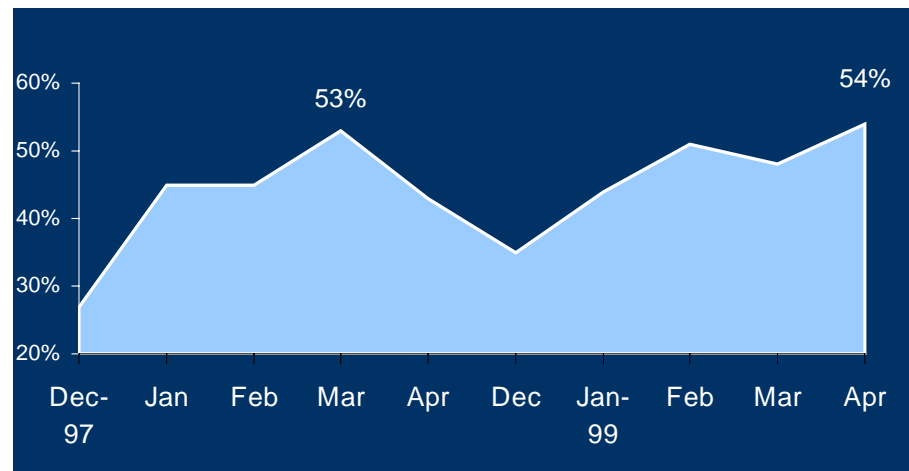
## Awareness of Federal Tax Return Advertising

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Despite these gains in 1999, the percentage of taxpayers claiming to recall advertising in April of 1999 (i.e., 53%) is essentially the same level as March of 1998.

Hence, no overall net gain was achieved in 1999.

Percent claiming to recall advertising regarding different ways tax returns can be filed.



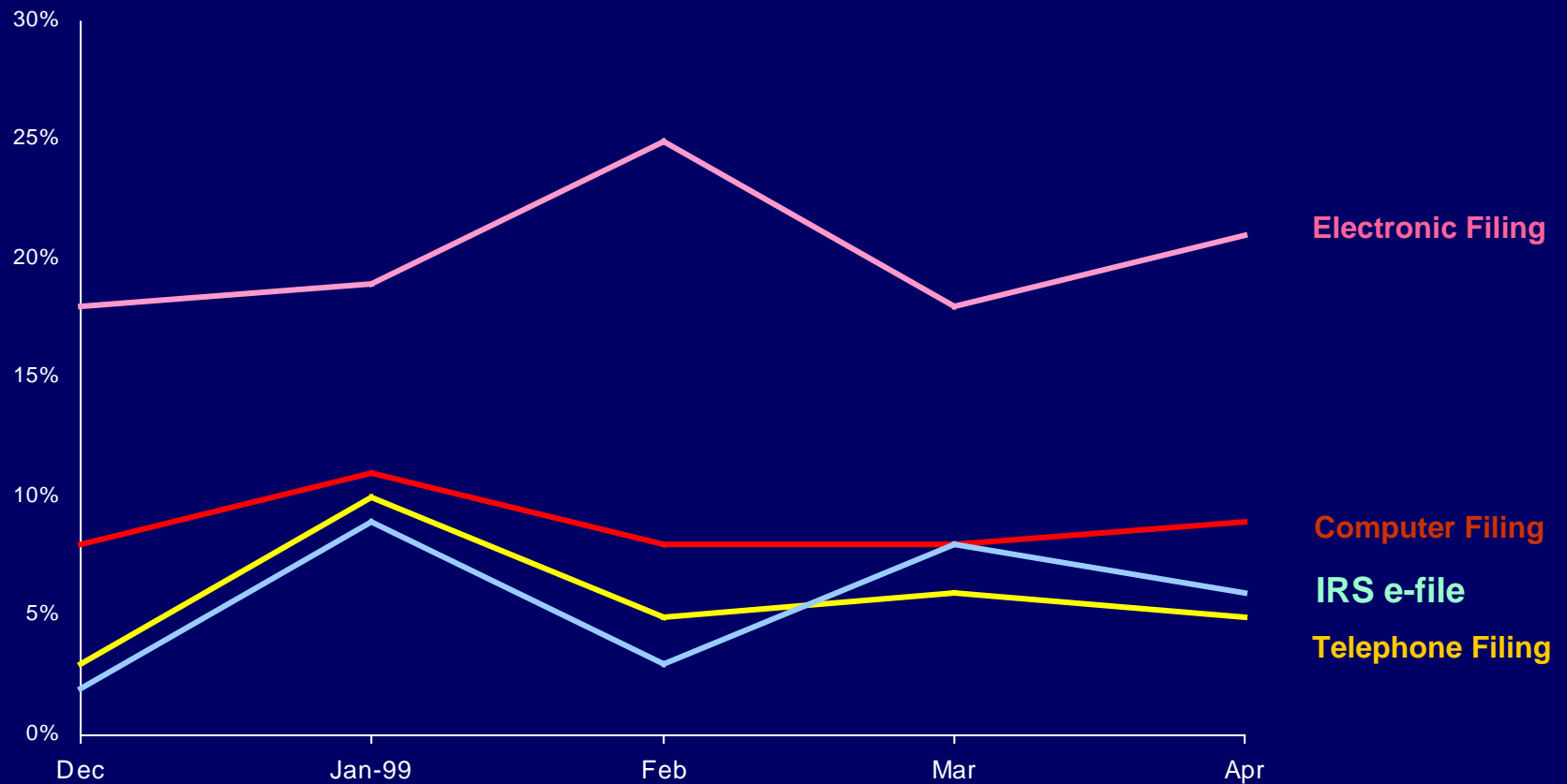
## Specific Awareness of Federal Tax Return Advertising

All respondents who initially claimed they recalled advertising were next asked what the advertising they saw/heard “said or showed”. These open-ended responses were coded by the key elements of E-file.

As the chart on the following page indicates, there were no significant differences in response between December and April with respect to Electronic Filing, Telephone Filing, and Computer Filing.

However, **mentions of IRS E-file did gain significantly** (i.e., from 2% in December to 6% in April.)

## Coded Mentions of Unaided Advertising Recall of Filing Options



Q. 1: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed? (T-1) Q. 2: What did it say? What did it talk about?

Source: Angell & Company (4/99)

BASE: Total Sample

The chart on the following page illustrates the gain posted by IRS E-file on this dimension over the course of this survey year.

## Coded Mentions of IRS E-file



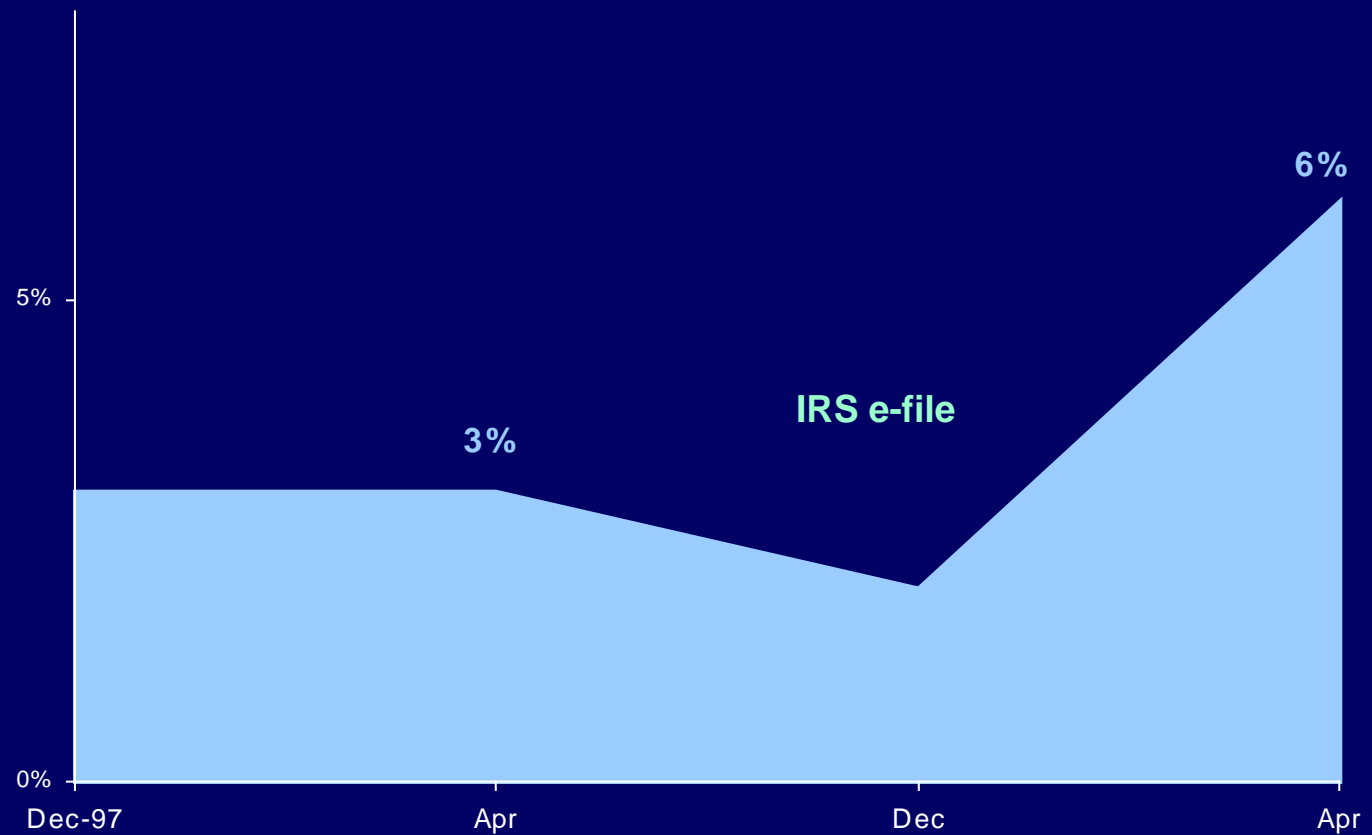
Q. 1: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed? (T-1) Q. 2: What did it say? What did it talk about?

Source: Angell & Company (4/99)

BASE: Total Sample

On a coded basis, only IRS E-file gained this April over last.

## Coded Mentions of Unaided IRS E-file Advertising Recall



Q. 1: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed? (T-1) Q. 2: What did it say? What did it talk about?

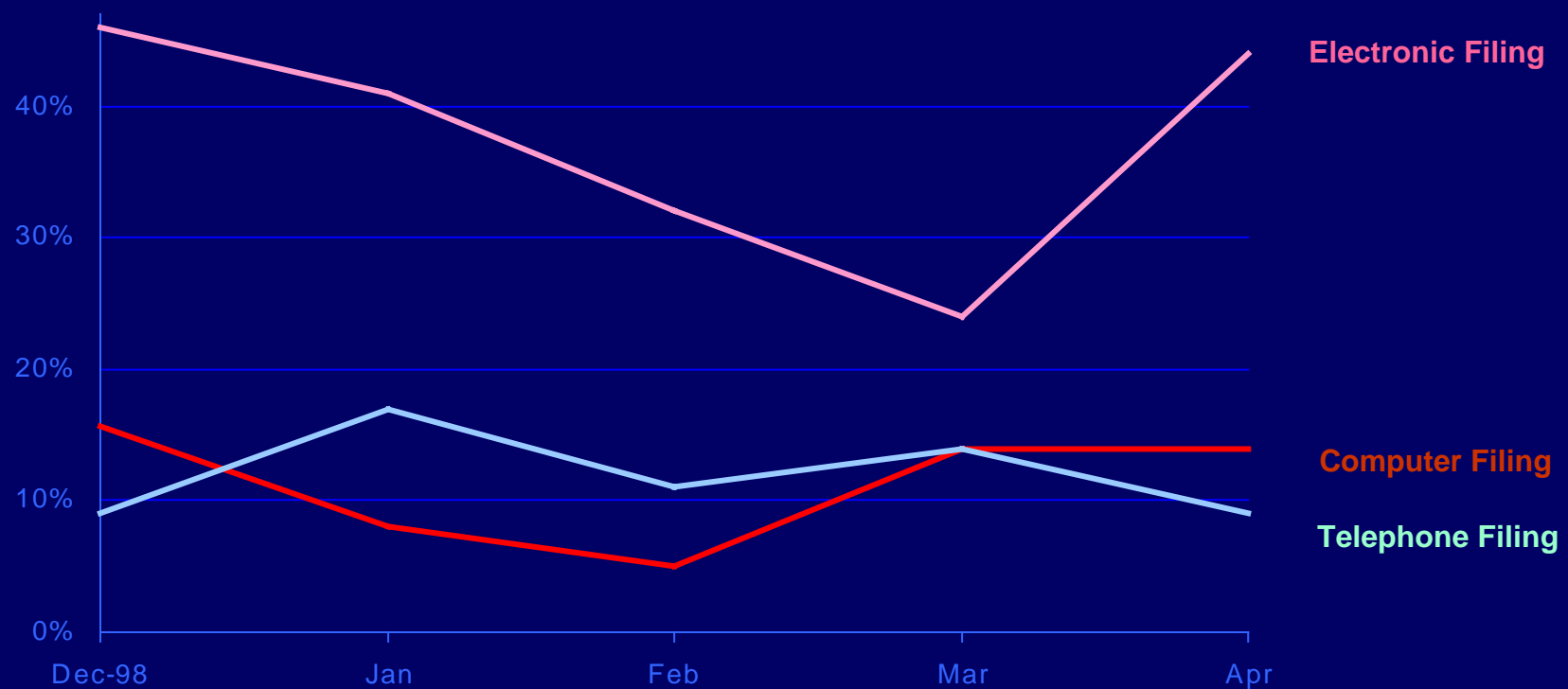
Source: Angell & Company (3/99)

BASE: Total Sample

When **all** of the advertising recall response -- i.e., not just the coded responses -- are taken into consideration, and based upon those claiming to recall advertising for filing options, the following is observed:

- Mentions of **Electronic Filing** declined most of the year but recouped the total loss with the April wave of interviewing.
- Mentions of **Computer Filing** declined through February, recouped with the March wave of interviewing, and held that position in March. Hence, the levels of response for Computer Filing were essentially the same in April as they were in December.
- Mentions of **Telephone Filing** gained in January, fell through March, and ended the year at essentially the same level as December.

## Percent Mentioning Recall of Advertising For ...



Q. 2: Please tell me everything you can remember about the advertising you saw or heard? (T-2) What did it say? What did it talk about?

Source: Angell & Company (4/99)

BASE: Aware of Advertising

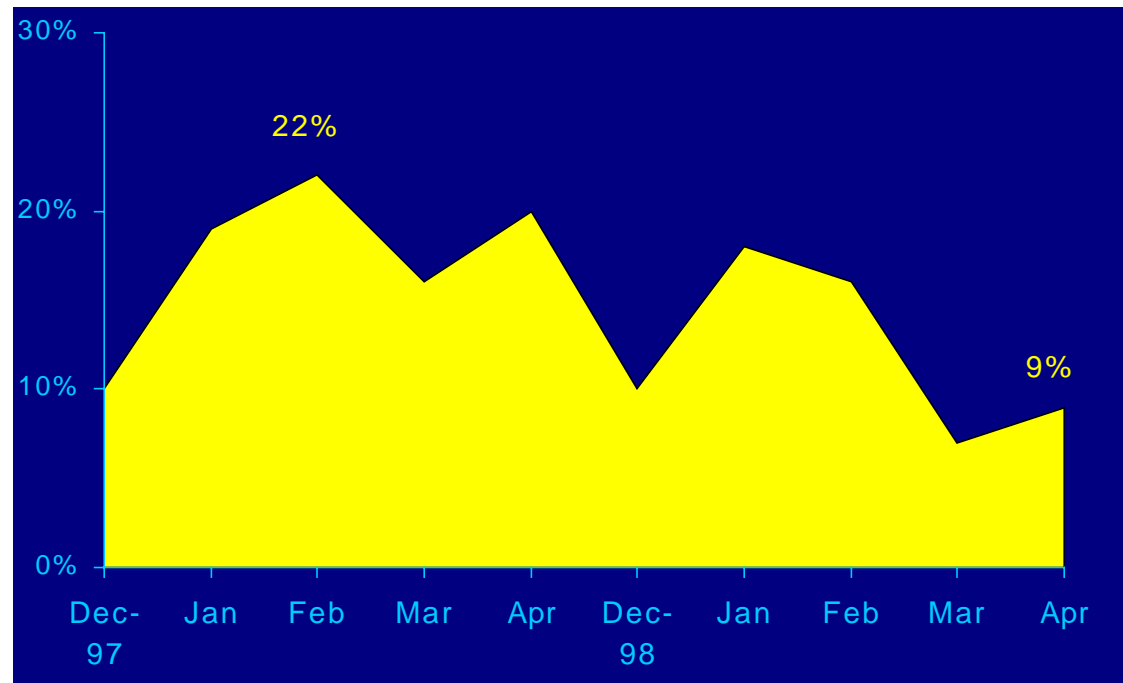


Of those who claimed to recall advertising, there were essentially no changes between December and April of this year with respect to mentions of “rapid refunds.”

However, mentions of ‘rapid refunds’ have substantially declined since February of 1998.

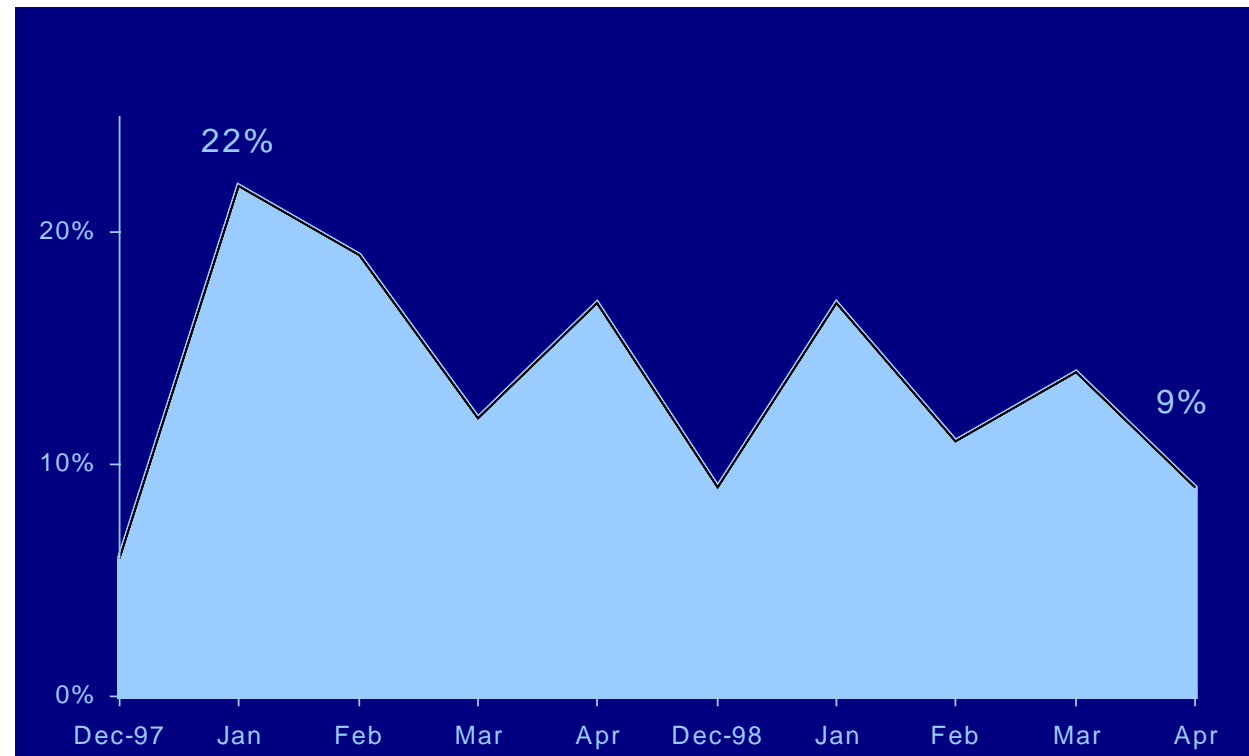
## Percent Mentioning Recall of Advertising For ...

### Rapid Refunds



While there were no changes this year with respect to recall of Telephone Filing advertising, it should be noted that, of those who claimed to recall advertising, mentions of Telephone Filing have declined from a high of 22% in January of 1998 to 9% in April of 1999.

Percent Mentioning Recall of Advertising For ...  
**Telephone Filing**



The table on the following page lists the major response for Advertising Recall.

## ADVERTISING RECALL

### 1999

BASE: Aware of Advertising	<u>Dec98</u>	<u>Jan99</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
No.	(209)	(87)	(102)	(97)	(216)*
	%	%	%	%	%
Filing taxes electronically/email .....	46	41	32	24	44
Computer filing .....	16	8	5	14	14
Efficient, quicker and saves money/Trend for the future .....	12	6	2	-	8
Online/Internet .....	11	9	11	17	9
Money refunds .....	10	18	16	7	9
Phone/Telefiling .....	9	17	11	14	9
Fax and softward opportunities/Turbo Tax .....	4	6	2	4	4
Received information on usage of electronic filing .....	3	2	2	3	-

Q. 2: Please tell me everything you can remember about the advertising you saw or heard?  
 What did it say? What did it talk about? (T-2)

## Aided Awareness of Federal Tax Return Advertising

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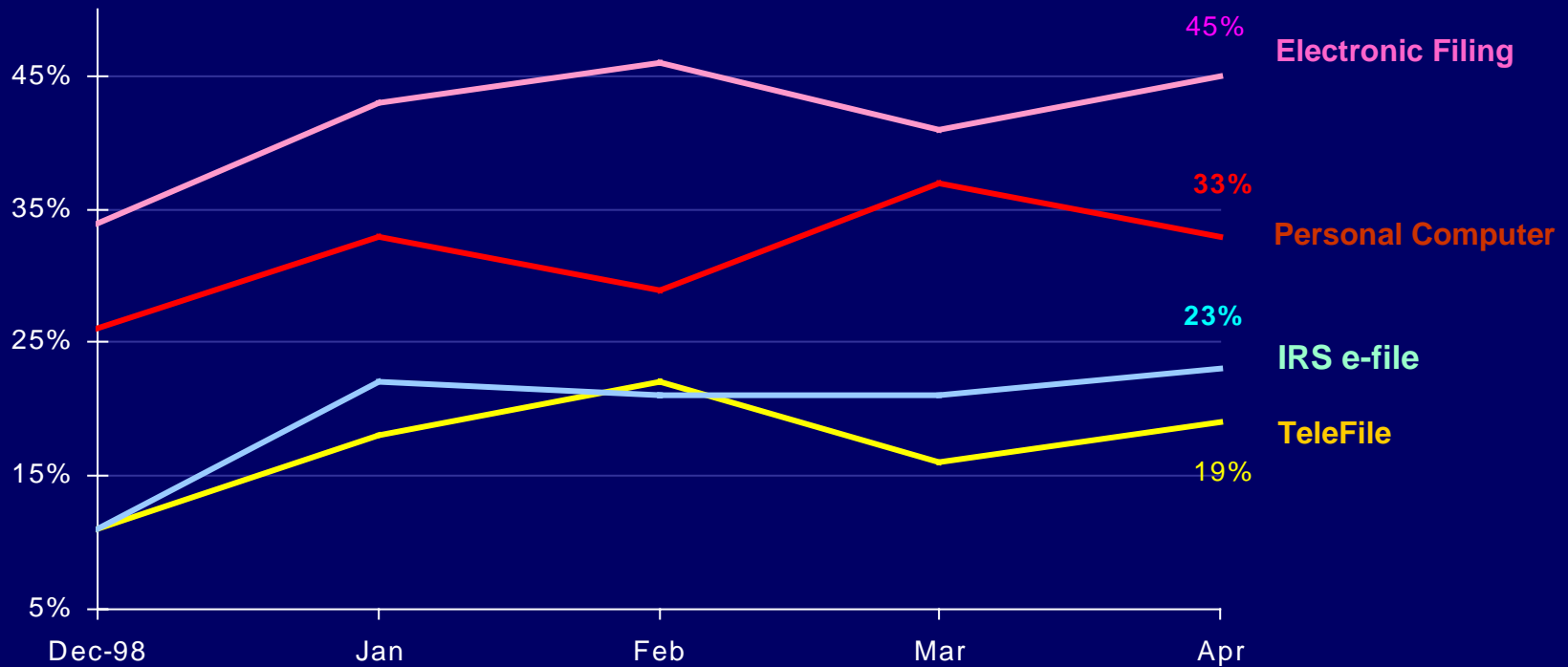
All respondents were next asked the following aided question:

**Do you recall seeing or hearing any advertising recently about ... ?**

As the table on the following page indicates, **all of the major filing options displayed significant gains** during the course of this tax season.

The largest gain (of 10 percentage points), was posted by Electronic Filing, followed by Personal Computer Filing (which posted an eight percentage point gain.)

## AIDED ADVERTISING RECALL OF SPECIFIC FILING METHODS



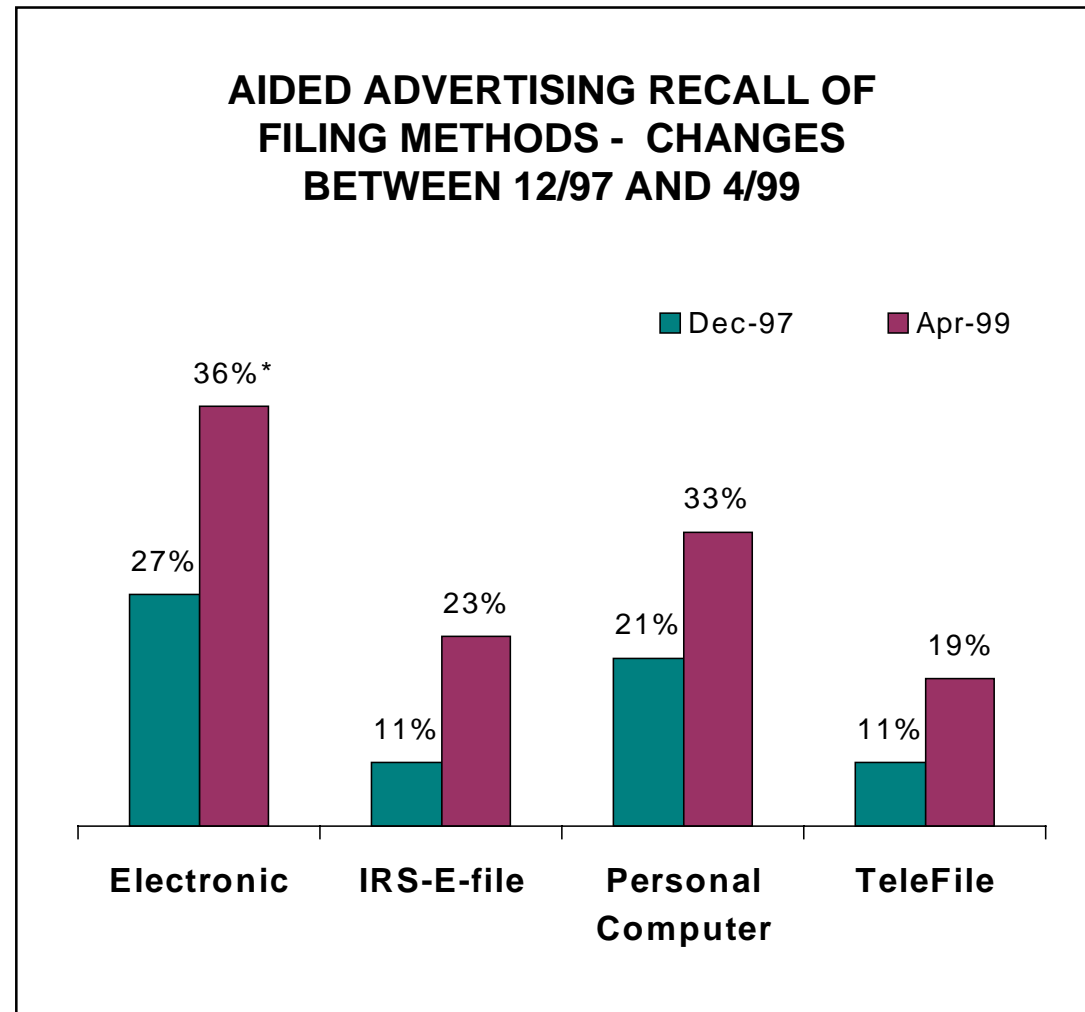
Q. 5: Do you recall seeing or hearing any advertising recently about ... ? (T-5A)

Source: Angell & Company (4/99)

BASE: Total Sample

As the this table indicates,  
since December of 1997 ...

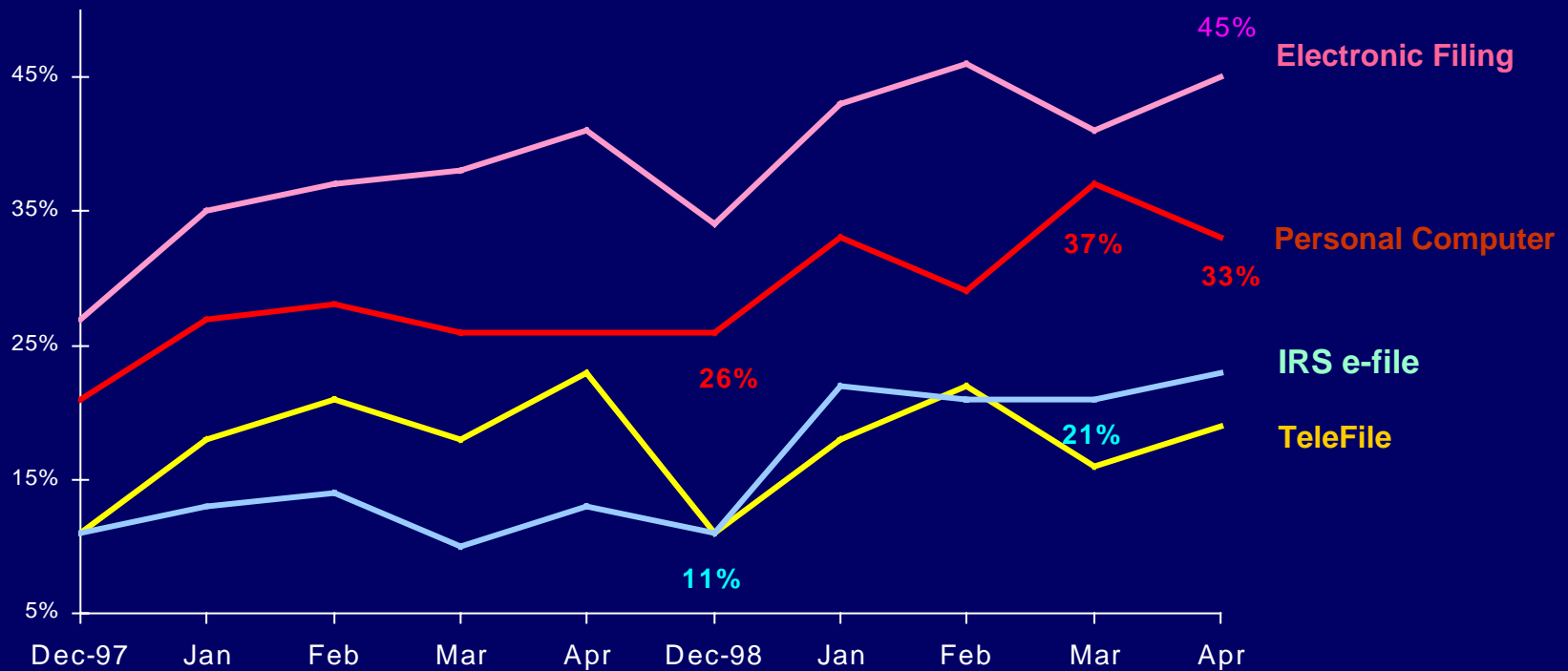
- Electronic Filing has increased from 27% to 36%%;
- Personal Computer Filing has increased from 21% to 33%.
- IRS E-file has gained from 11% to 23%;
- And TeleFile has gained from 11% to 19%.



The table on the following page shows the growth of these options since December of 1997.



## AIDED ADVERTISING RECALL OF SPECIFIC FILING METHODS



Q. 5: Do you recall seeing or hearing any advertising recently about ... ? (T-5A)

Source: Angell & Company (3/99)

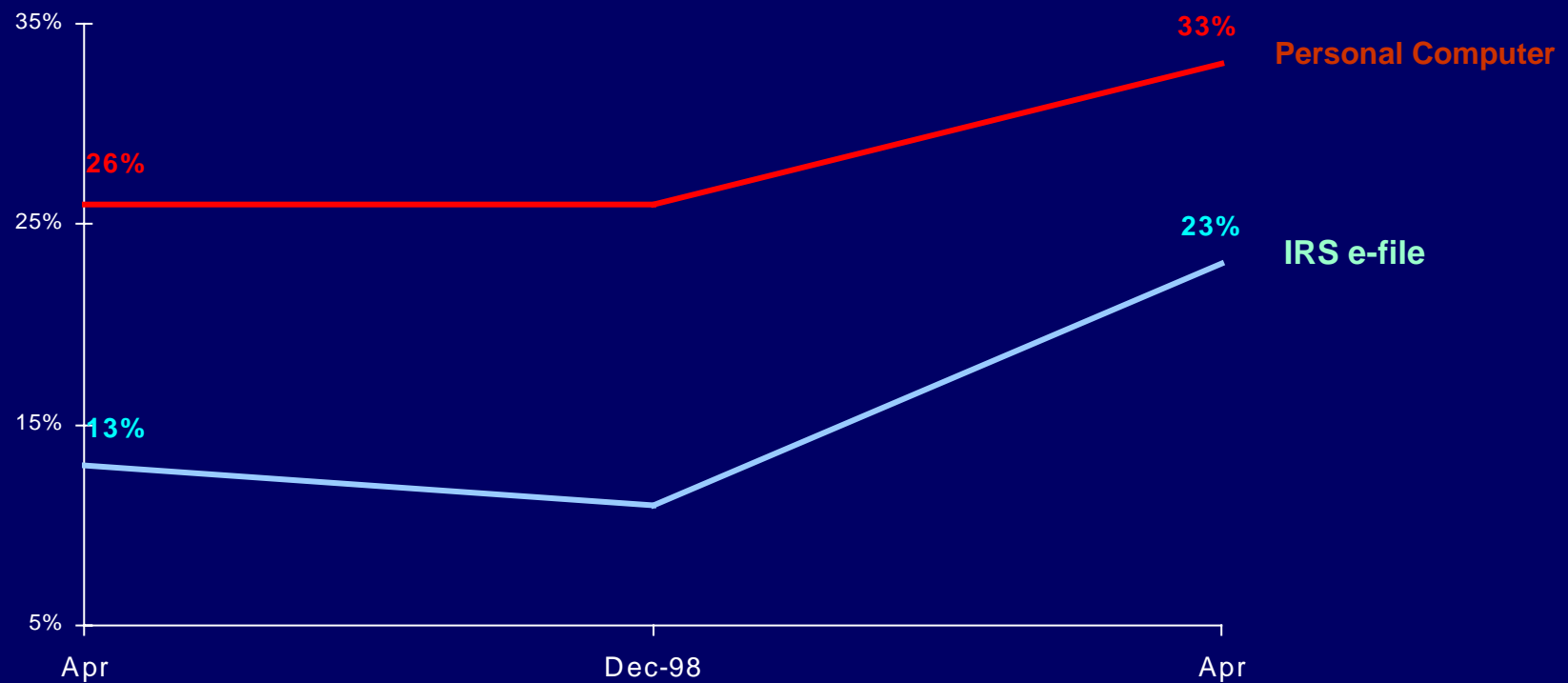
BASE: Total Sample

However, a comparison of the April 1998 Aided Advertising Awareness numbers, and the April 1999 numbers, reveals that Aided Advertising Awareness of **Electronic Filing** and **TeleFile** were **unchanged**.

Only **IRS E-file** and **Personal Computer Filing** Aided Advertising Awareness levels were **higher** this April than last April.

The table on the following page shows the comparison.

## AIDED ADVERTISING RECALL OF SPECIFIC FILING METHODS



Q. 5: Do you recall seeing or hearing any advertising recently about ... ? (T-5A)

Source: Angell & Company (3/99)

BASE: Total Sample

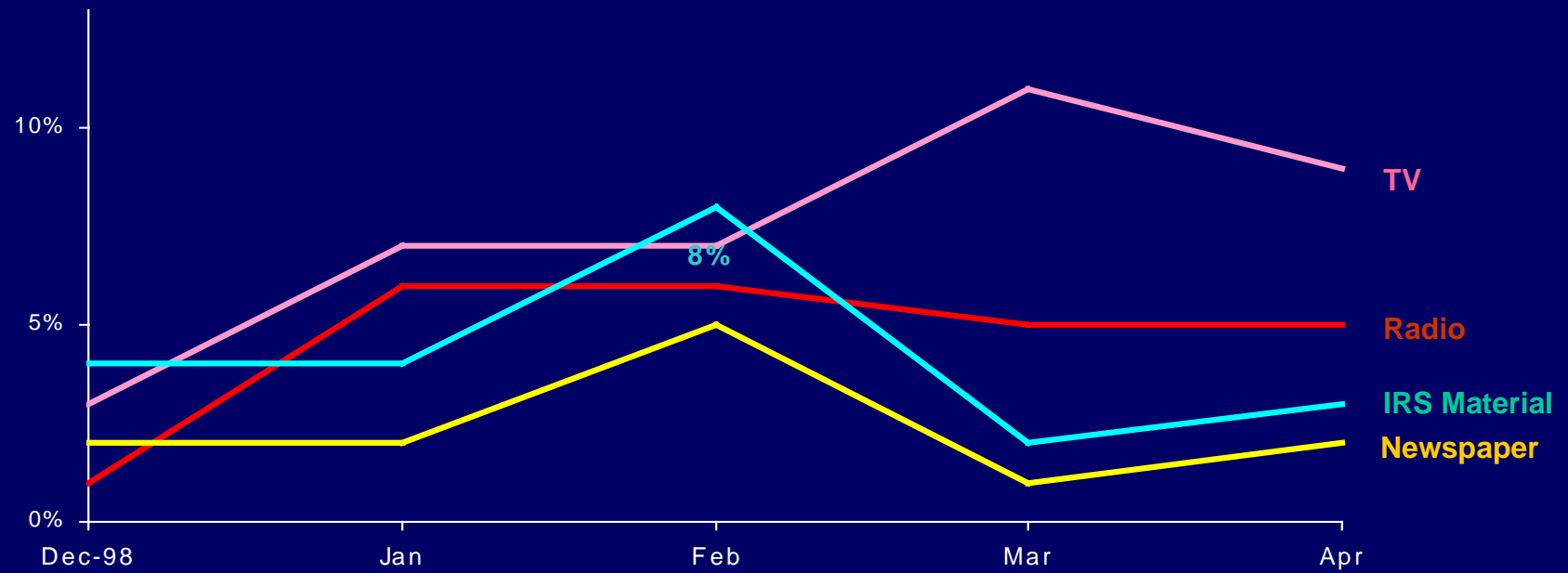
## Where Recall Seeing/Hearing Advertising For ...

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All respondents who said they recalled advertising for a specific filing option were asked **where** they recalled seeing or hearing that advertising.

- With respect to **IRS E-file**, response related to **TV** advertising -- despite a slight fall-off in April -- ended significantly above the levels achieved in December (going from 3% to 9%).
- **Radio** response also gained (from 1% to 5%).
- Mentions of **IRS Material** started at 4% -- moved to 8% in February -- and ended in April at 3%.
- Mentions of **Newspaper** recall began at 2% -- rose to 5% in February -- and then fell back to 2% in April.

## Where Recall Seeing/Hearing Advertising For IRS E-file

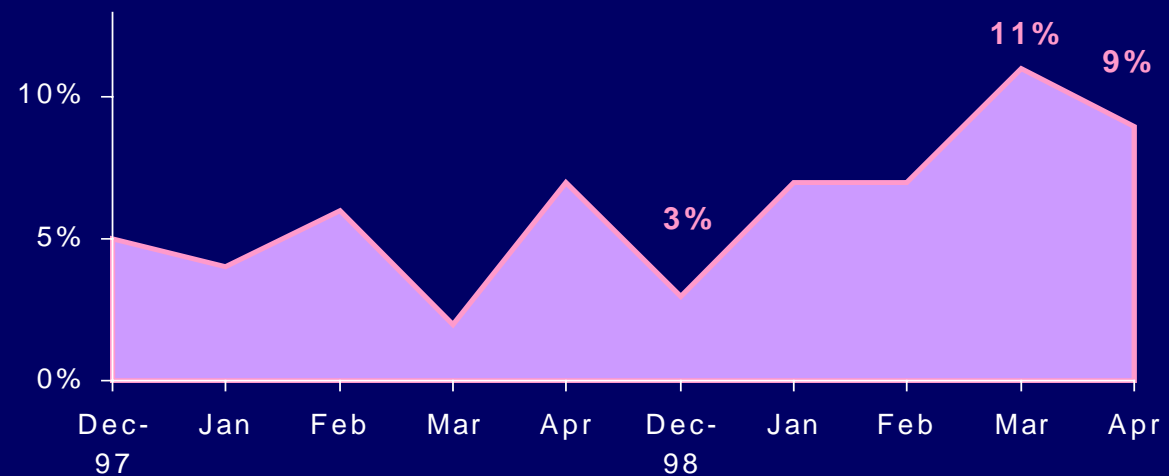


Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ? (T6aa)

BASE: Total Sample

## Recall Seeing/Hearing Advertising For IRS E-file on TV

As this chart shows, growth of TV recall for IRS E-file showed the most gains this year as opposed to last year.

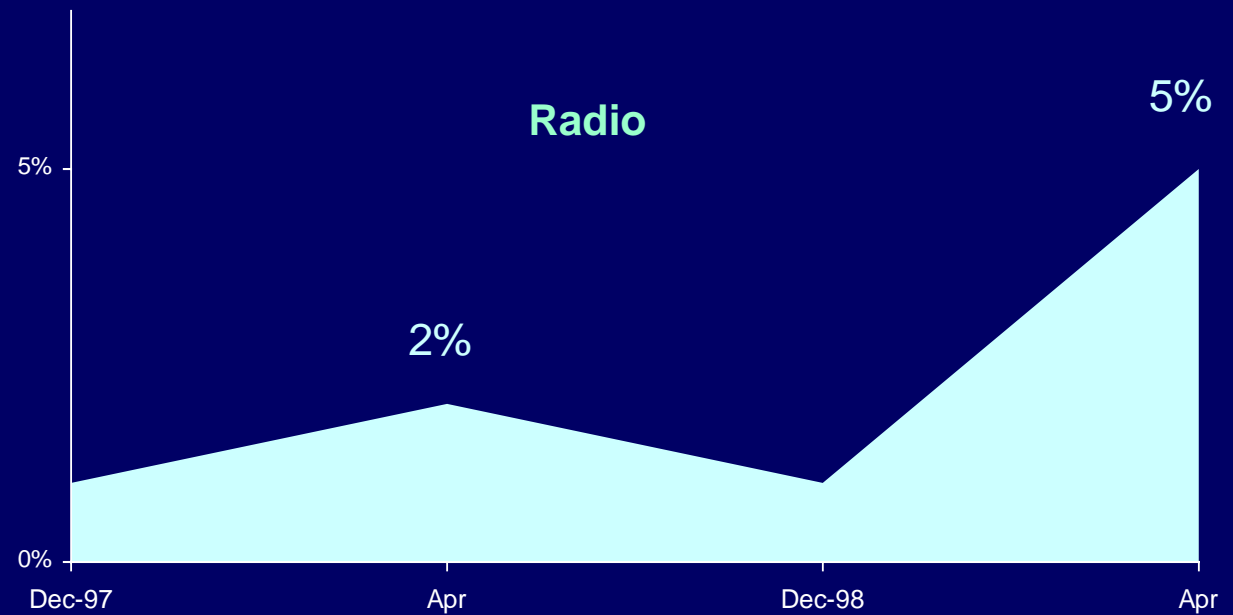


Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ?  
(T6aa)

BASE: Total Sample

On an April to April basis, the only IRS E-file media gain was for Radio.

### Where Recall Seeing/Hearing Advertising For IRS E-file

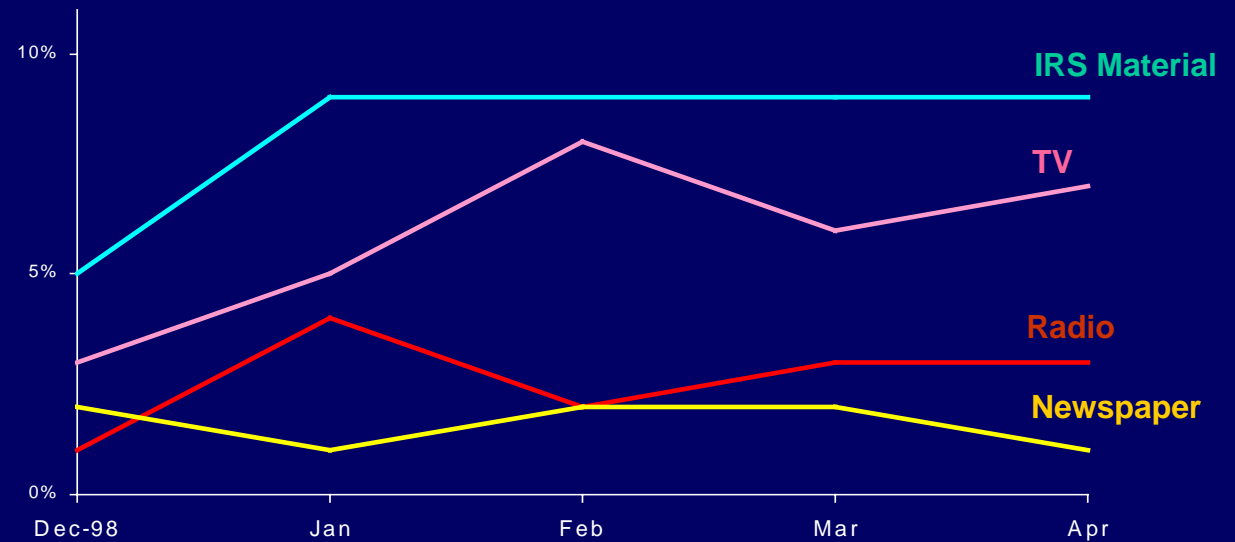


Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ?  
(T6aa)

BASE: Total Sample

The media response for **TeleFile** shows response relating to IRS material stabilized after a large gain in January, while response relating to TV -- which fell-off in March -- recouped somewhat.

Radio and Newspaper response was essentially unchanged for the year.

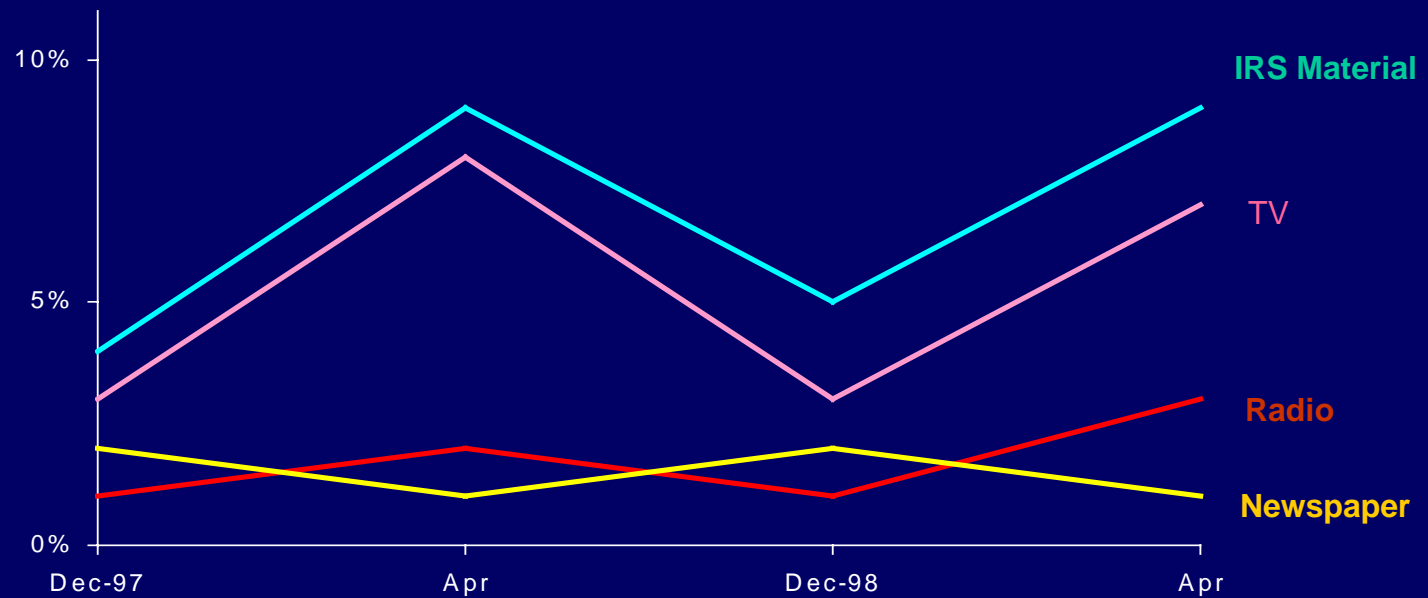


Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ?  
(T6bb)

BASE: Total Sample



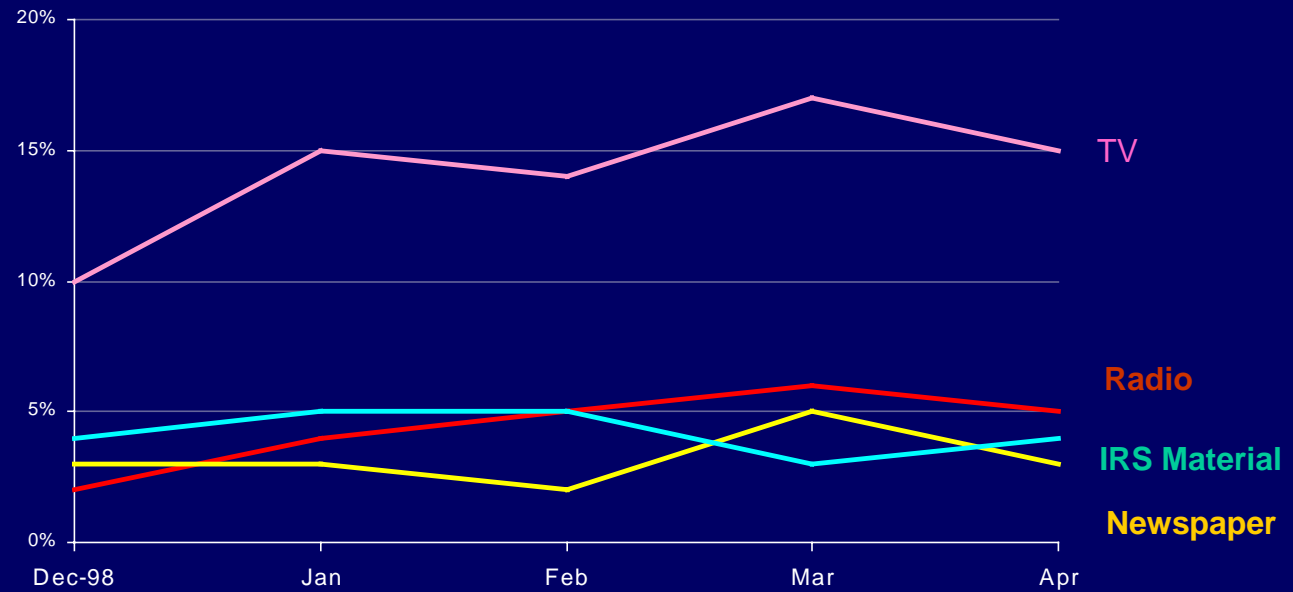
The media response for **TeleFile** shows **no differences** between last April and this April.



Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ? (T6bb)

BASE: Total Sample

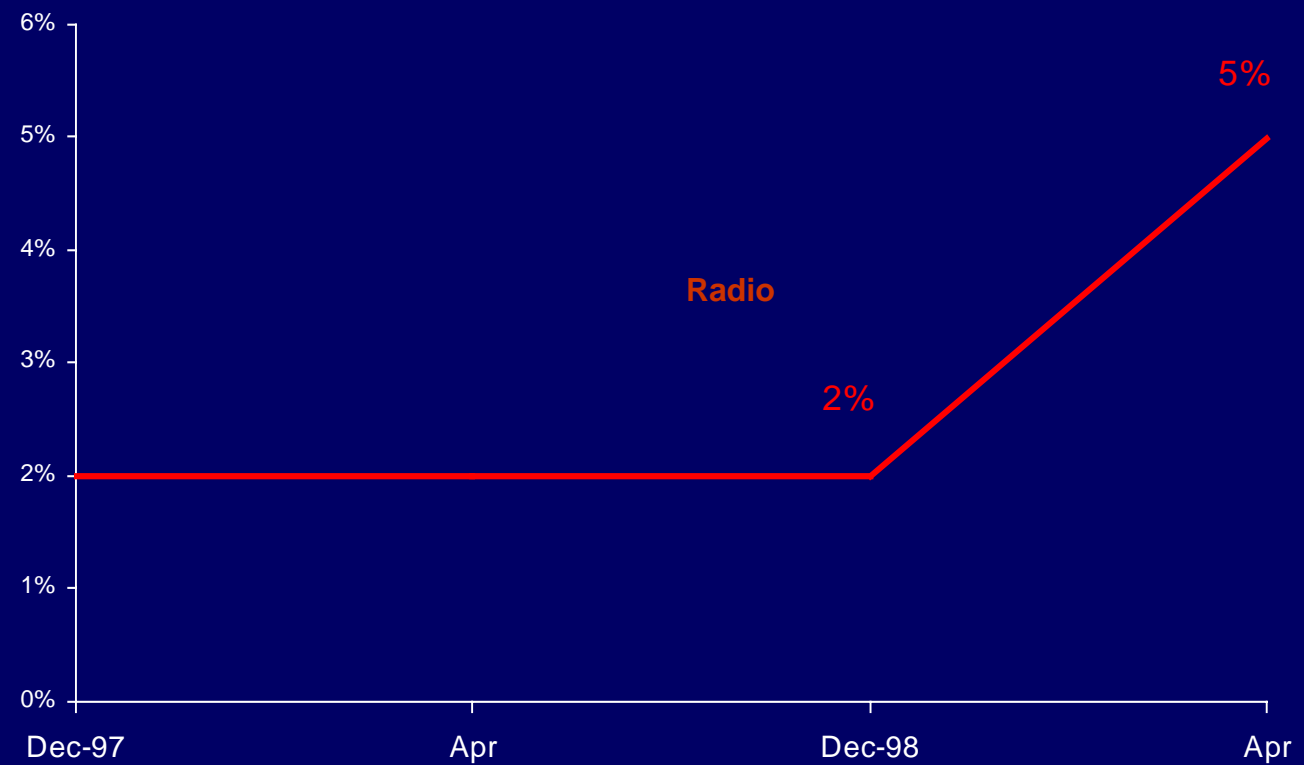
The media response for **Personal Computer Filing** was dominated by TV recall all year (and TV recall was the only medium to post a gain.)



Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ? (T6cc)

BASE: Total Sample

Though dominated by TV, the only April to April change in media response for **Personal Computer Filing** was for Radio.

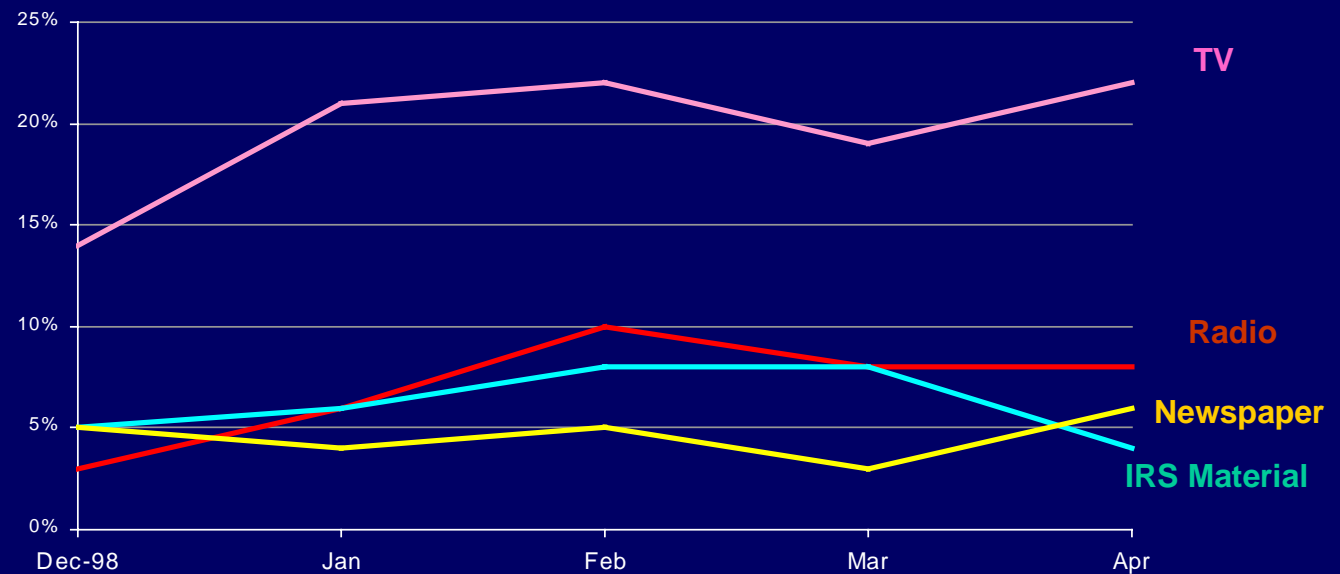


Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ? (T6cc)

BASE: Total Sample

As has consistently been the case, the media response for **Electronic Filing** was dominated by TV. After falling off somewhat in March, response for TV continued to gain in April.

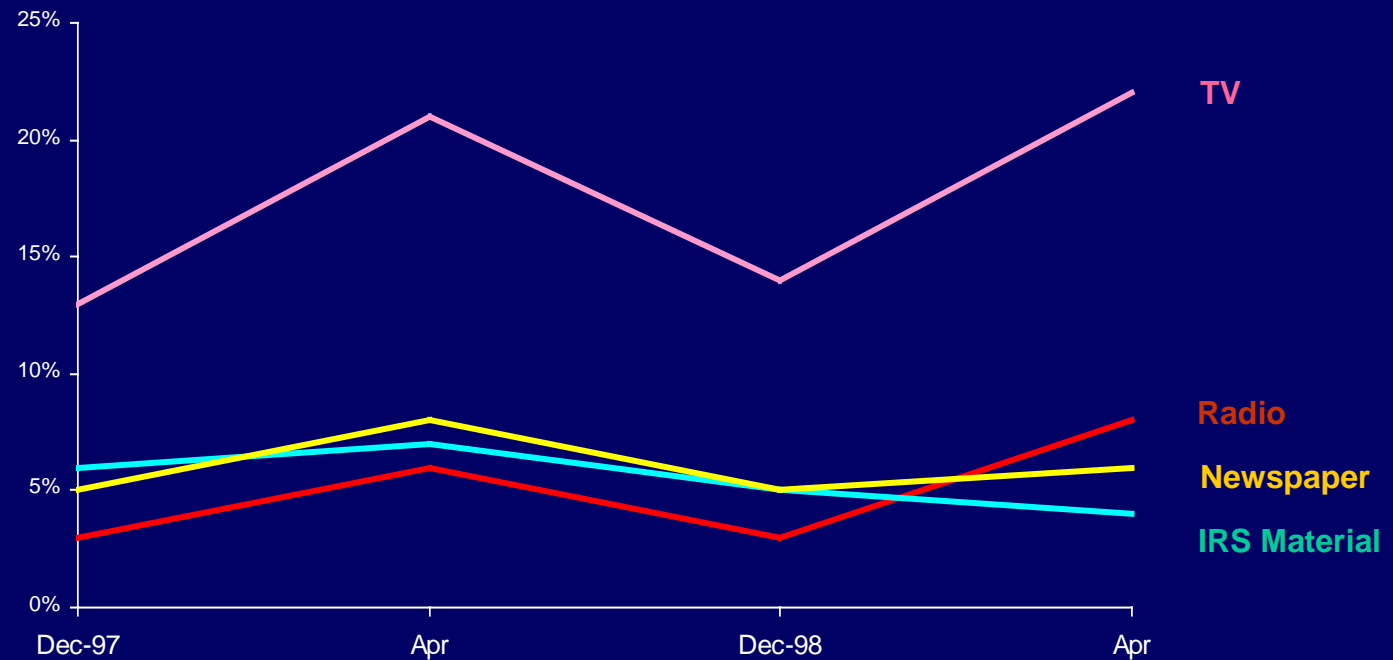
Radio, gained through February before giving back a little ground in March. And response for IRS Material and Newspapers was essentially flat for the year.



Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ?  
(T6dd)

BASE: Total Sample

There were no changes in the media response for **Electronic Filing** on an April to April basis.



Q. 5: Where do you recall seeing or hearing the advertising? Was it ... ? (T6dd)

BASE: Total Sample

## Recall of Specific Advertising Features

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All respondents were read the following:

**I'm going to read you some phrases about filing that were mentioned in advertising.  
As I read each feature, please tell me if you recall hearing this feature advertised.**

The interviewer then proceeded to read the statements noted on the next page. Each statement was rotated to minimize any possible positioning bias. Some of these statements are new for the 1998 tax season. All were prepared to reflect the communications propositions mentioned in the 1998 tax filing season PSA advertisements. Their purpose, of course, is to enable measurement of any changes in awareness of these propositions over time.

The chart on the following page lists the attributes and displays the response for each interviewing wave of the 1998 tax season.

## RECALL OF SPECIFIC ADVERTISING FEATURES

BASE: Total Sample	No.	<u>Dec98</u> (604) %	<u>Jan99</u> (200) %	<u>Feb</u> (200) %	<u>Mar</u> (201) %	<u>Apr</u> (400) %
Taxpayers can file their returns electronically .....	75	69	74	74	76	
Refunds can be directly deposited to your bank account ....	63	60	60	67	72	
Taxpayers can file their return using their own personal computer .....	51	59	45	59	58	
With IRS e-file, taxpayers get their refund twice as fast .....	46	54	52	48	55	
Even if you are not getting a refund, you can still file electronically .....	40	42	38	52	43	
Electronic filing is accurate .....	38	44	31	33	38	
IRS E-file offers a number of convenient options for filing federal tax returns .....	26	31	25	34	28	
There are many ways to e-file .....	19	21	20	21	21	
Taxpayers receive proof of acceptance .....	14	21	18	13	14	
Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours .....	13	17	17	20	15	

Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised? (T-11a)

STATEMENT:

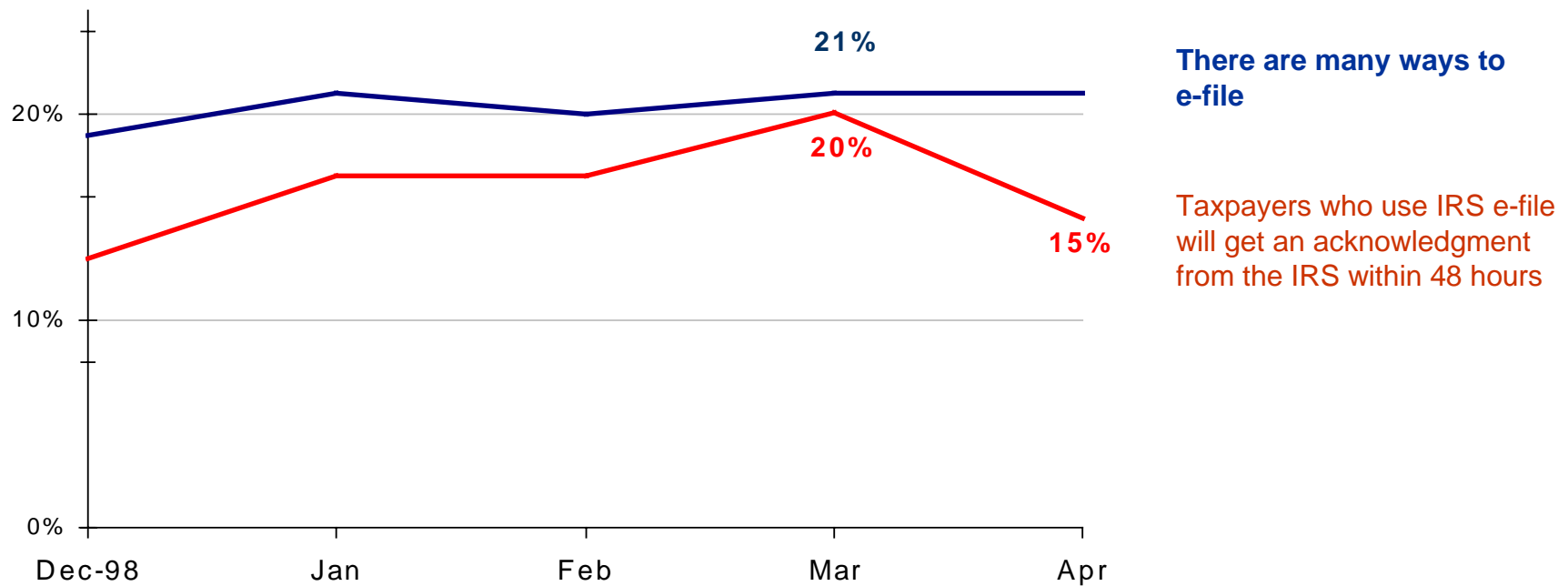
“There are many ways to e-file”:

“Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours”:

OBSERVATIONS:

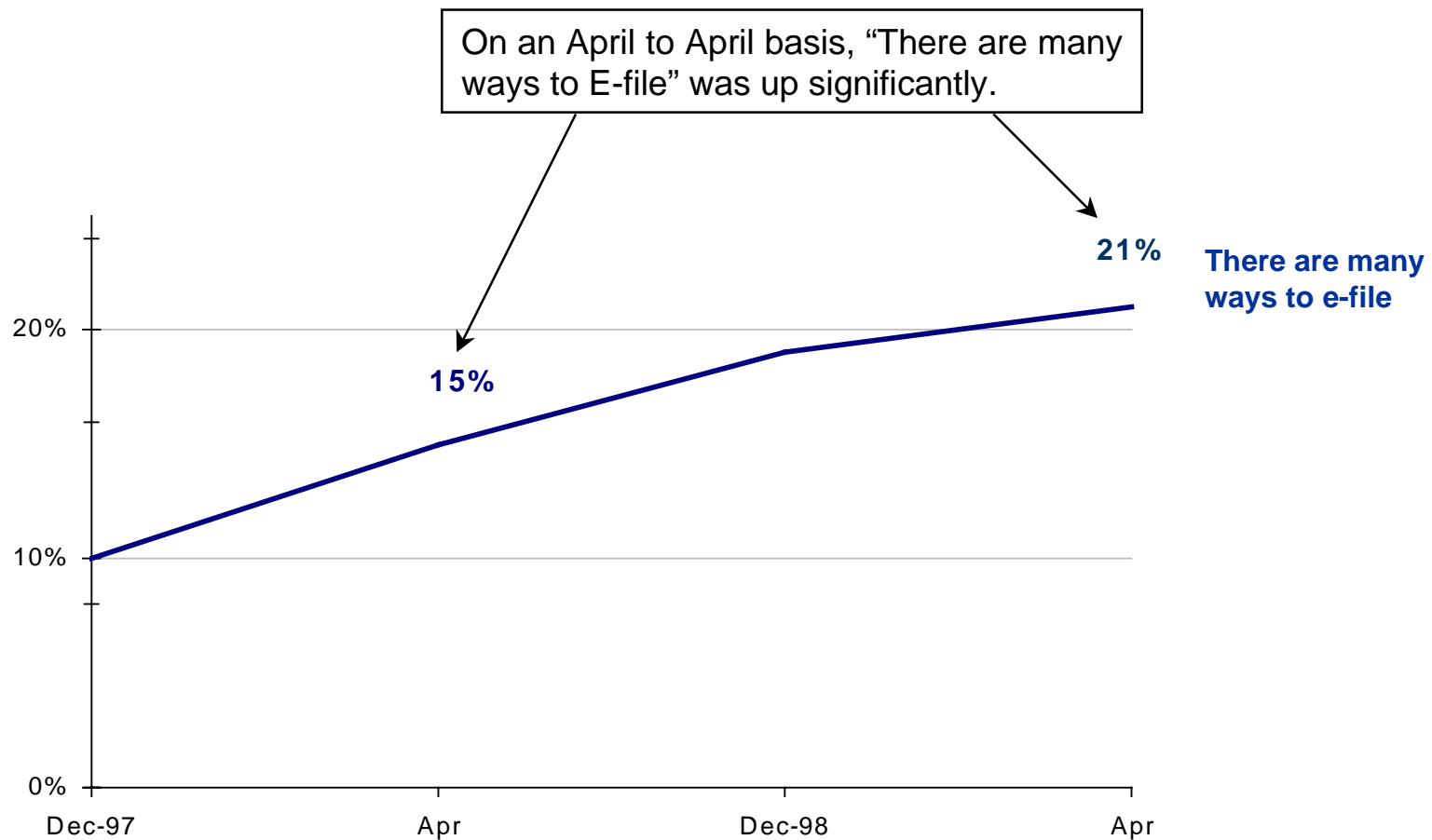
**Unchanged** for this year.

Displayed gains through March, and then fell back in April. Ended year at essentially the **same level as December**.



Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised. (T-11A)





Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised. (T-11A)

Source: Angell & Company (3/99)

BASE: Total Sample

STATEMENT:

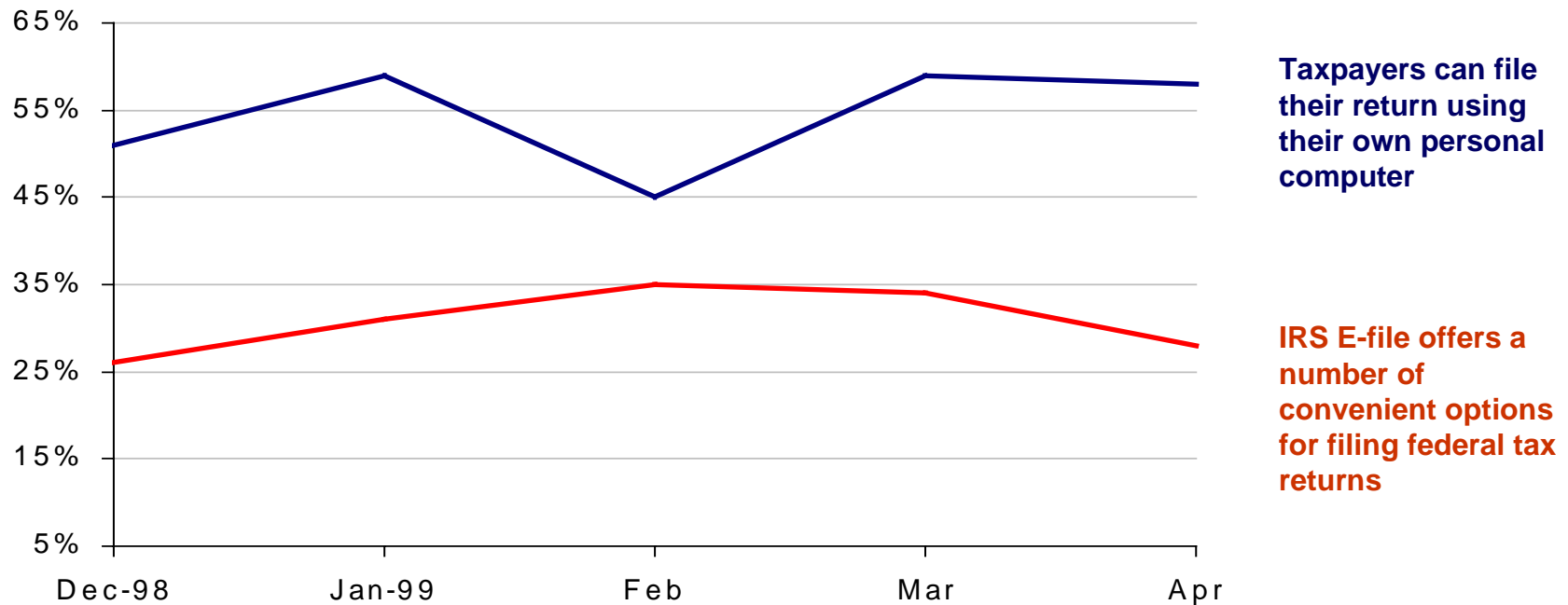
“Taxpayers can file their return using their own personal computer”:

“IRS E-file offers a number of convenient options for filing federal tax returns”:

OBSERVATIONS:

**Unchanged** for this year.

Also **unchanged** for the year.



STATEMENT:

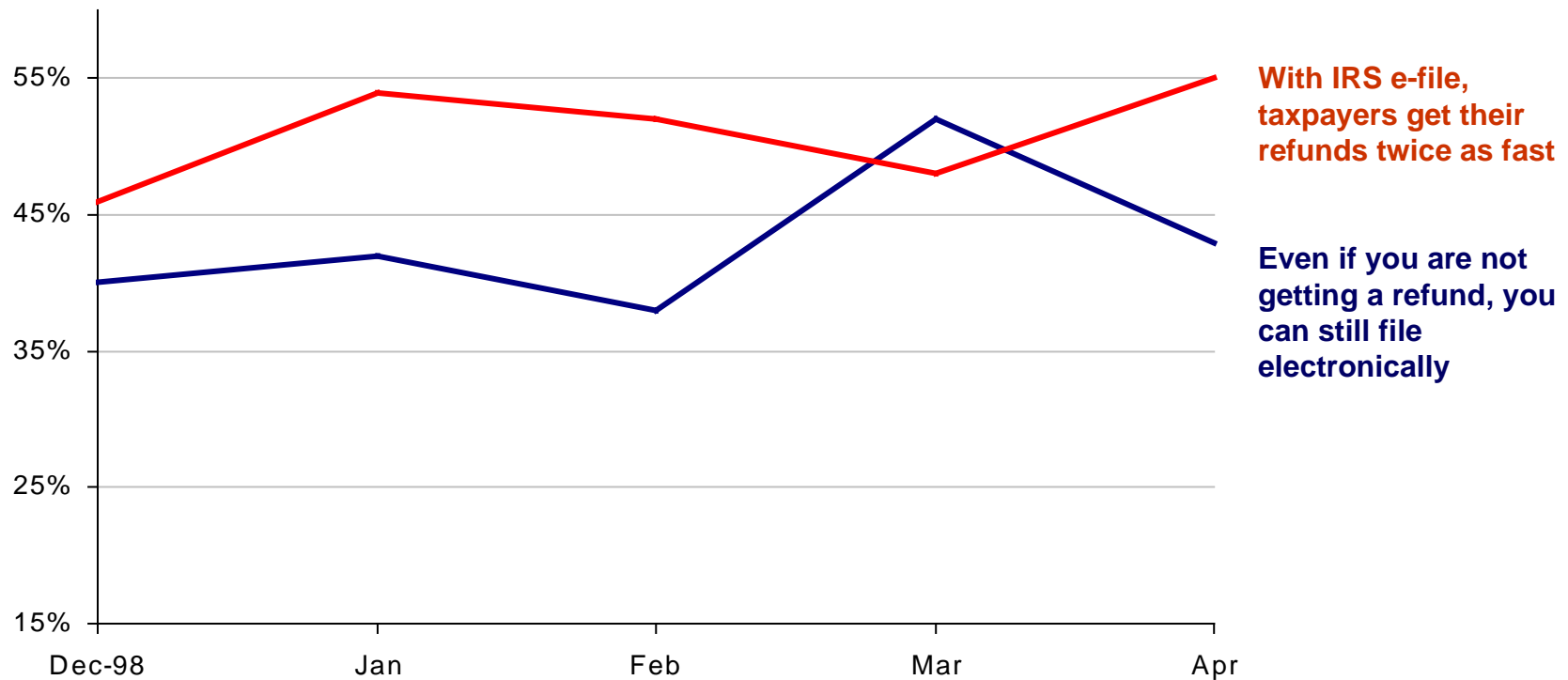
“With IRS e-file, taxpayers get their refunds twice as fast”:

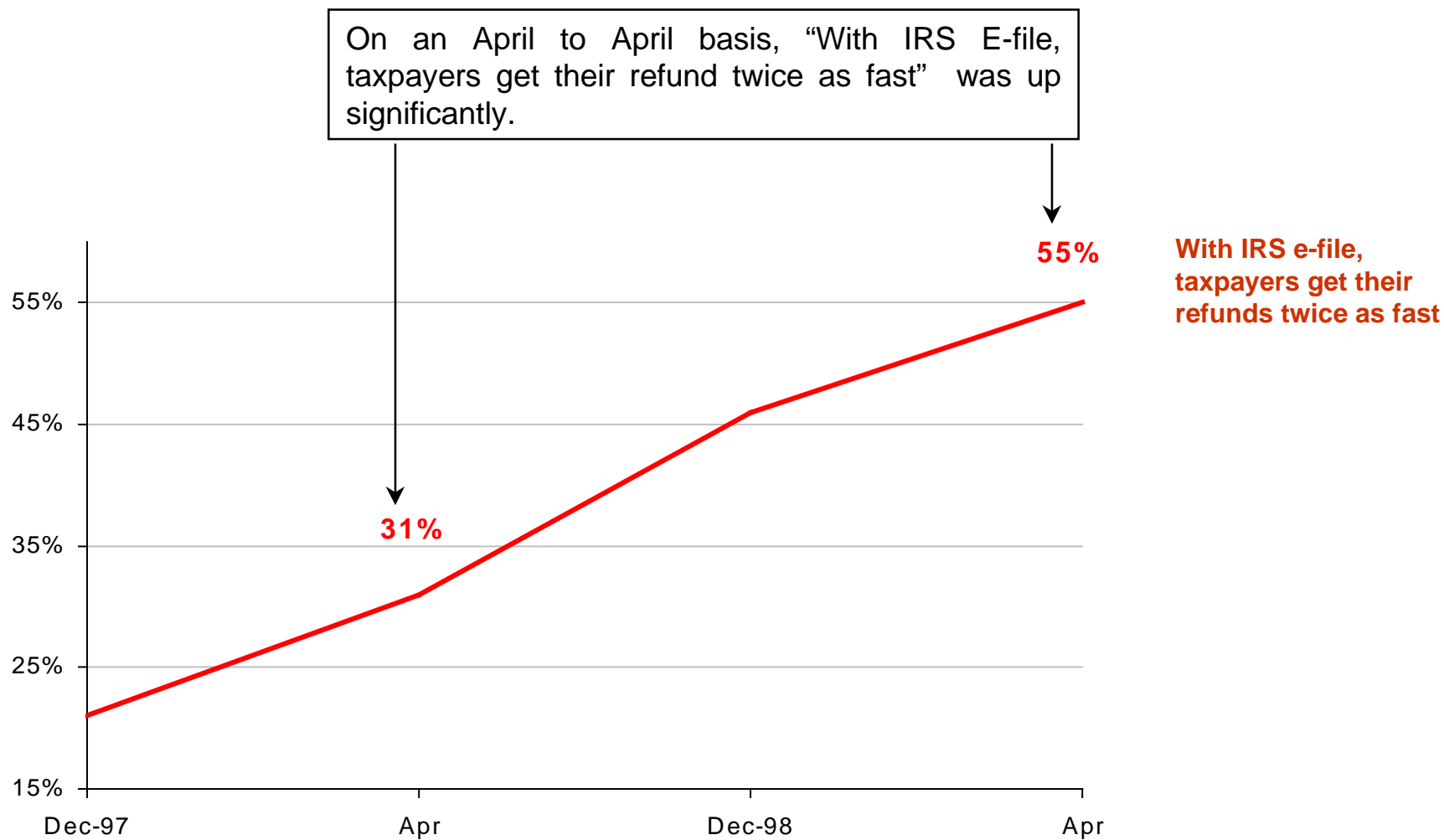
“Even if you are not getting a refund, you can still file electronically”:

OBSERVATIONS:

**Up significantly** (46% to 55%)

Posted strong gain in March, but fell back in April (thereby erasing all gains.)





Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised. (T-11A)

STATEMENT:

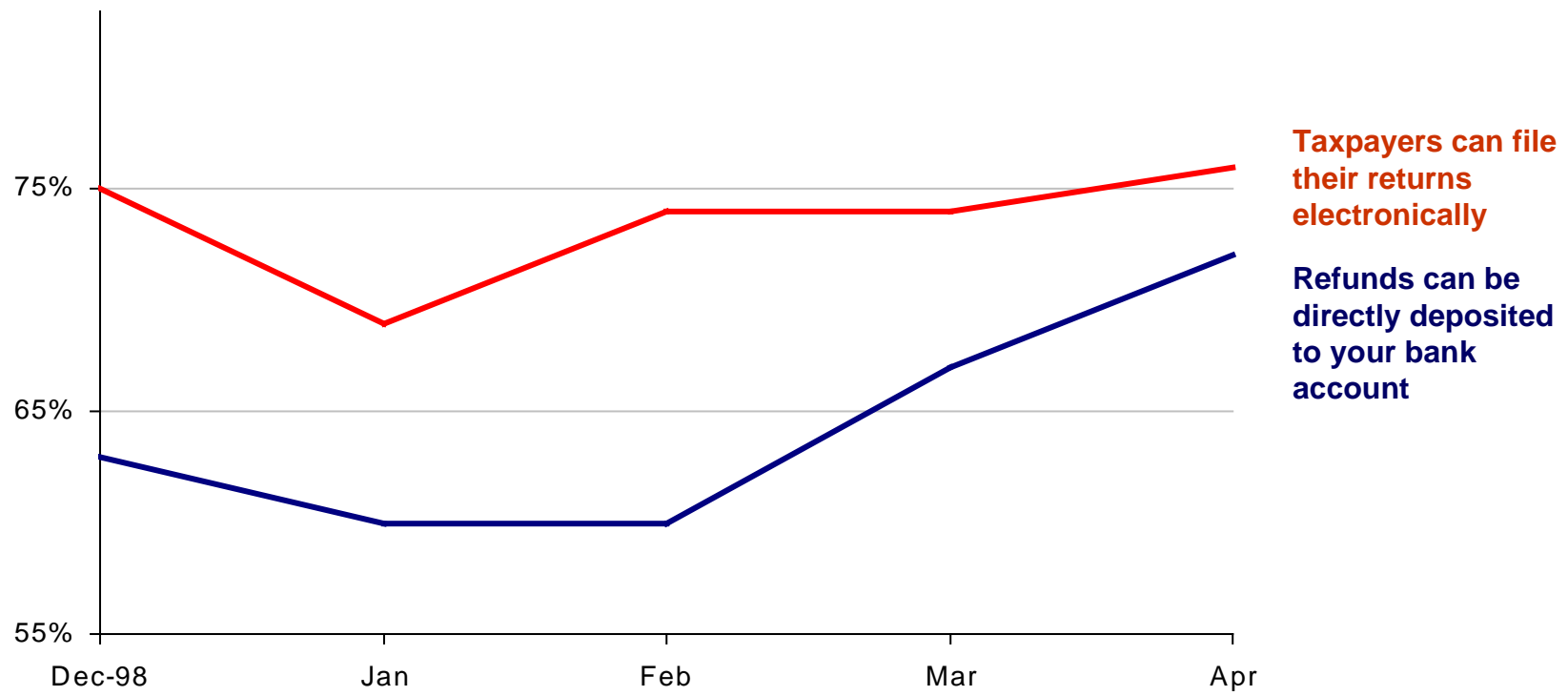
“Taxpayers can file their returns electronically”:

“Refunds can be directly deposited to your bank account”:

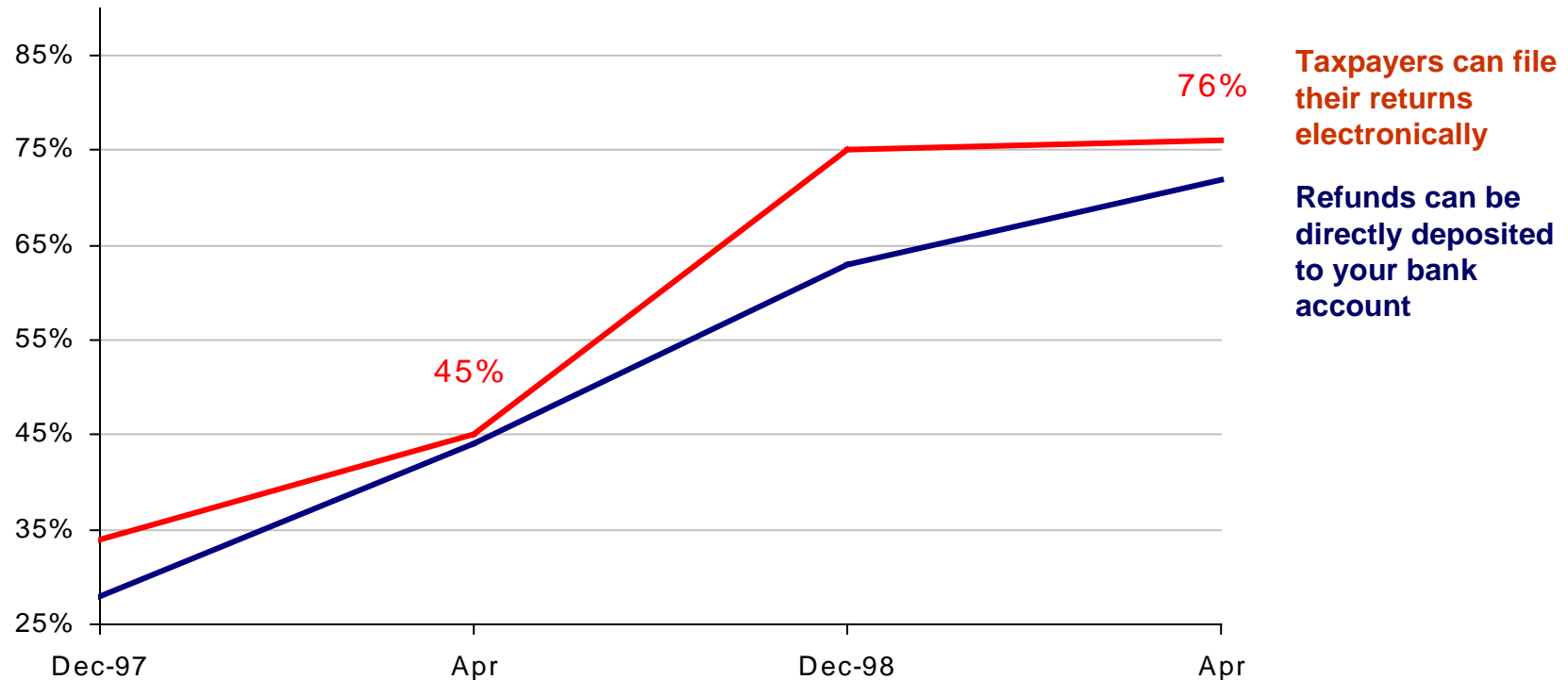
OBSERVATIONS:

Highest level of awareness of all statements. Fell-off in February and then recouped loss on a consistent basis. Ended year **unchanged**.

Showed strong growth in both March and April interviewing waves. Ended year **up significantly**.



On an April to April basis, both of these statements are up significantly.



Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised. (T-11A)

BASE: Total Sample

STATEMENT:

“Electronic filing is accurate”:  
February. Showed consistent slight

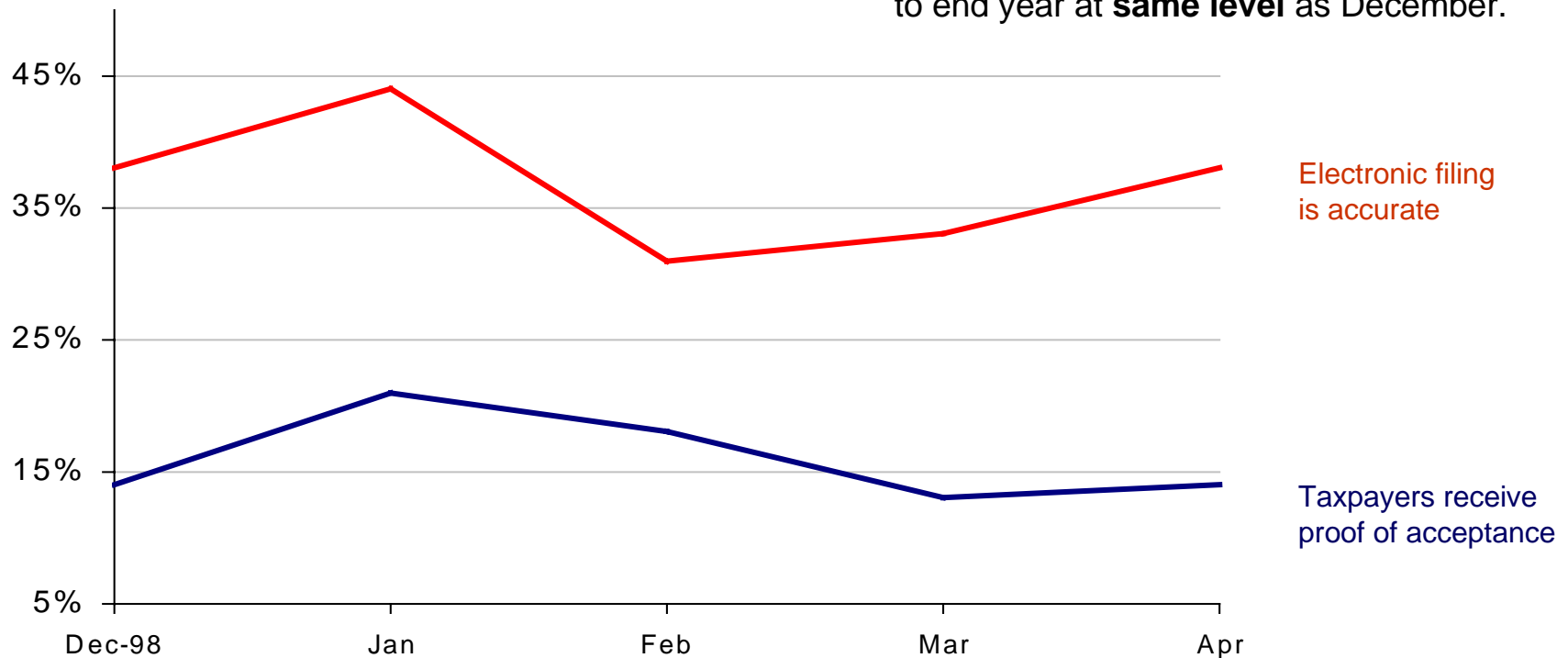
OBSERVATIONS:

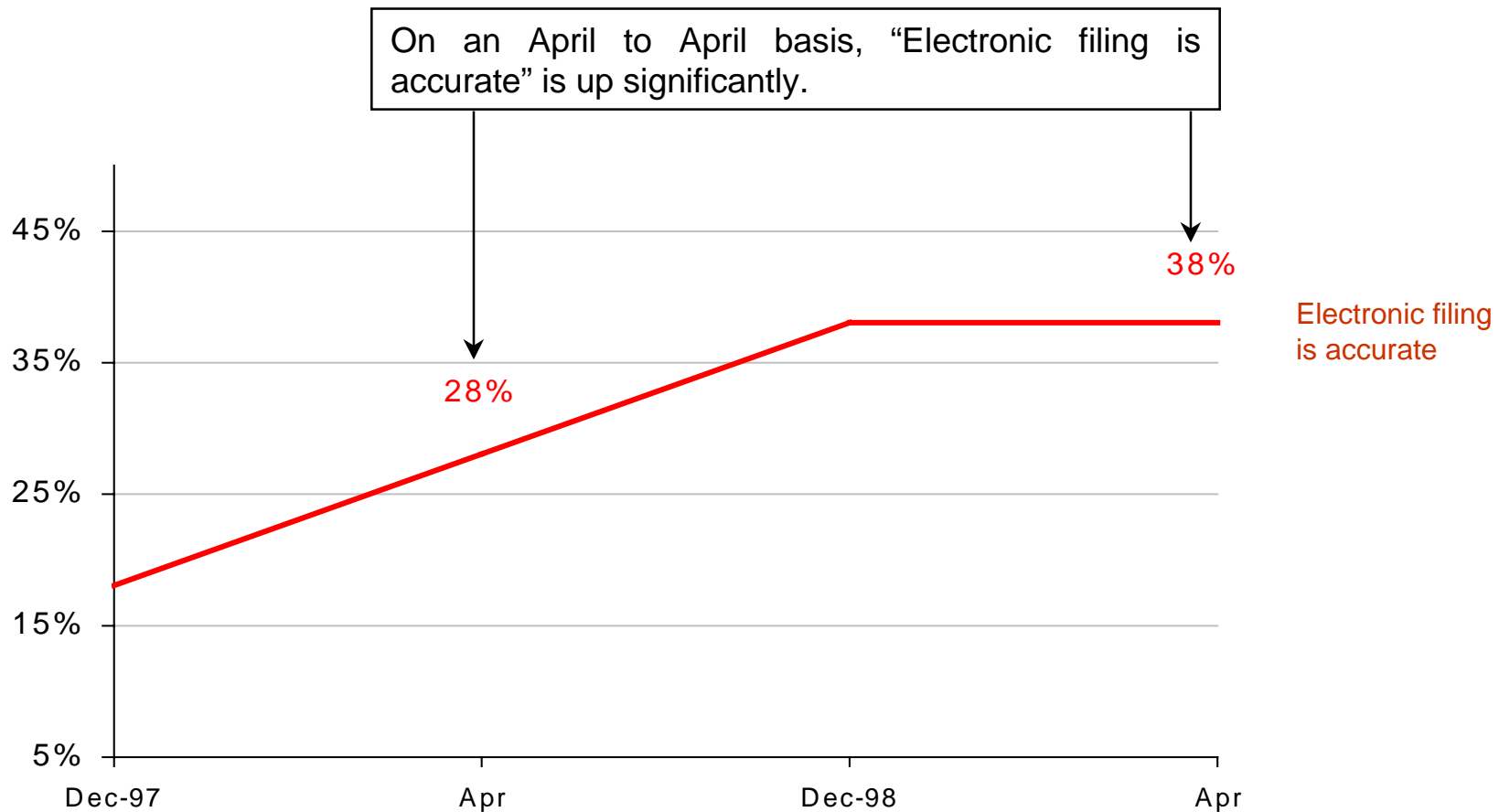
Gained in January but fell-off in February.  
Showed gains in March and April but was  
never able to recoup the February loss.

Ended year **unchanged**.

“Taxpayers receive proof of acceptance”:

Also gained in January but fell back  
to end year at **same level** as December.





Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised. (T-11A)

BASE: Total Sample



# Awareness Issues

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## Awareness of Ways Taxes Can Be Filed (Unaided)

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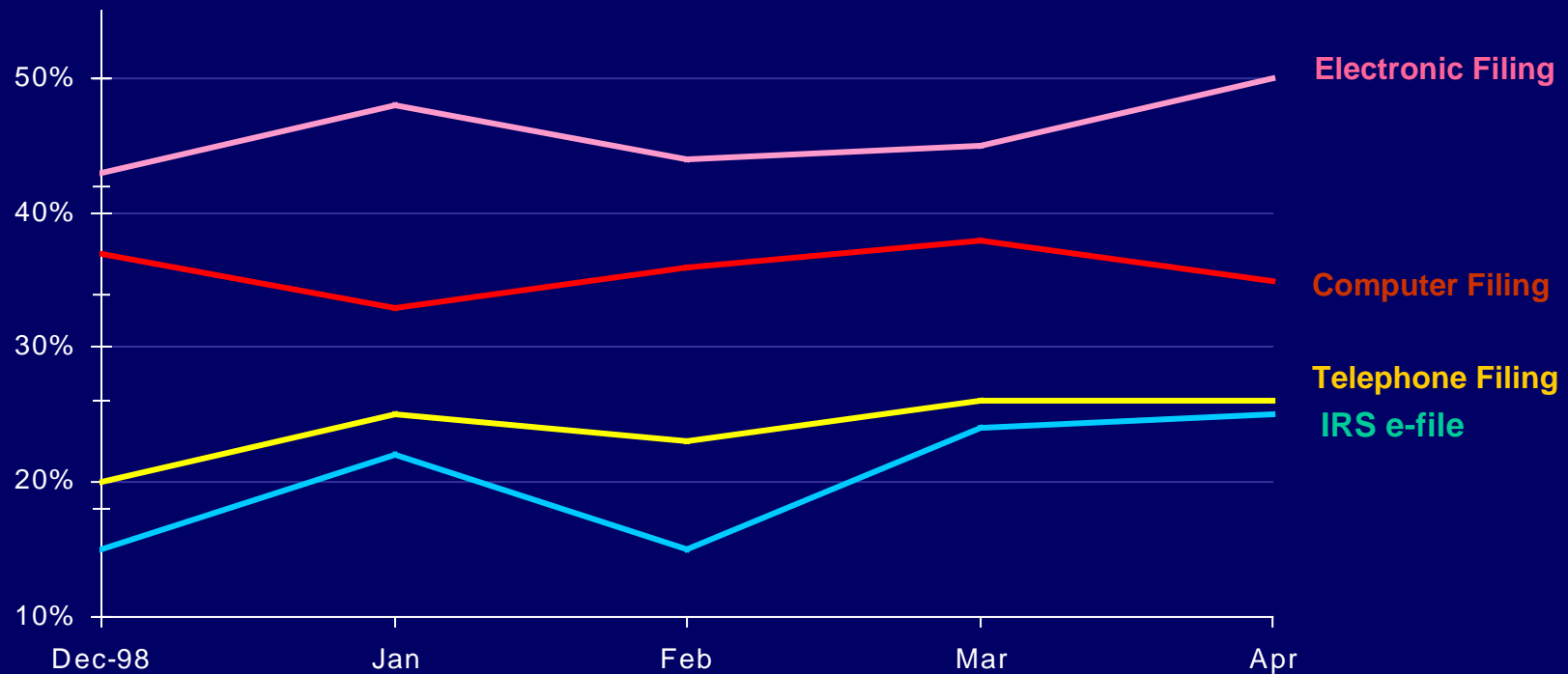
All respondents were read the following question:

**There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail. What other ways can you think of?**

**IRS E-file, Electronic Filing**, and **TeleFile** all ended the year significantly **above** the levels achieved in December.

**Personal Computer Filing** was unchanged for the year.

## Unaided Awareness of Ways Taxes Can Be Filed



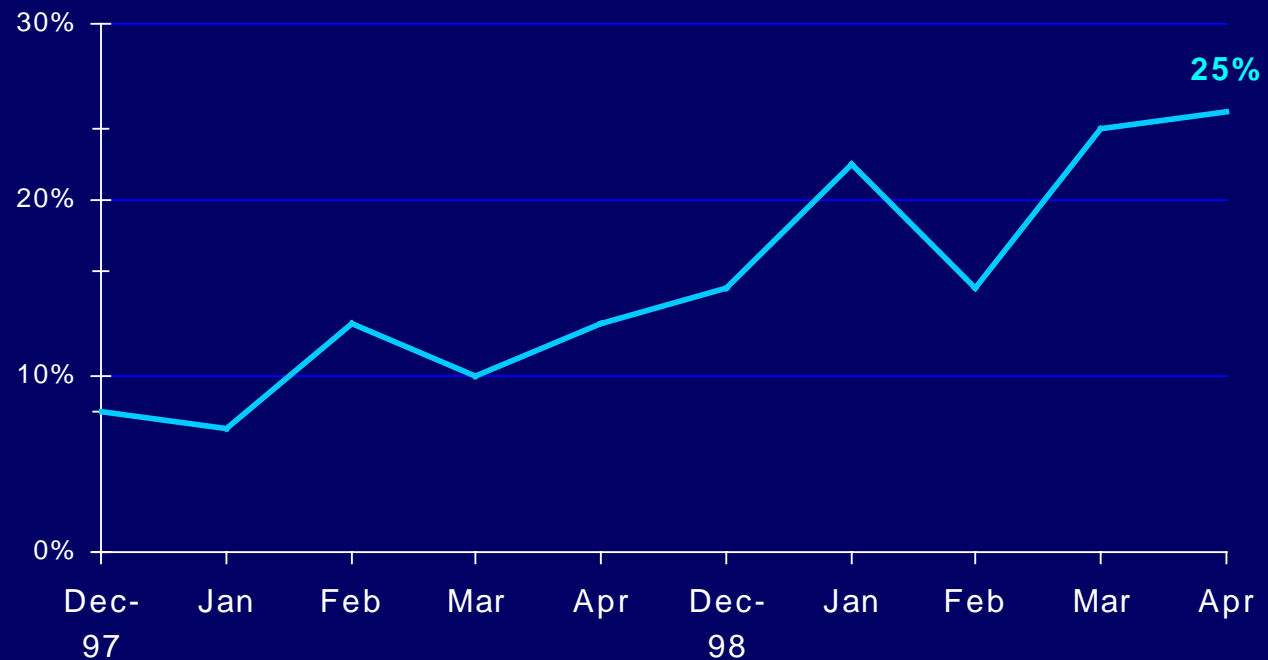
Q. 3: There are a number of ways taxes can be filed. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of. (T-3)

Source: Angell & Company (4/99)

BASE: Total Sample

Since December of 1997, Unaided Awareness of IRS E-file has gained from 8% to 25%.

### Unaided Awareness of IRS E-File

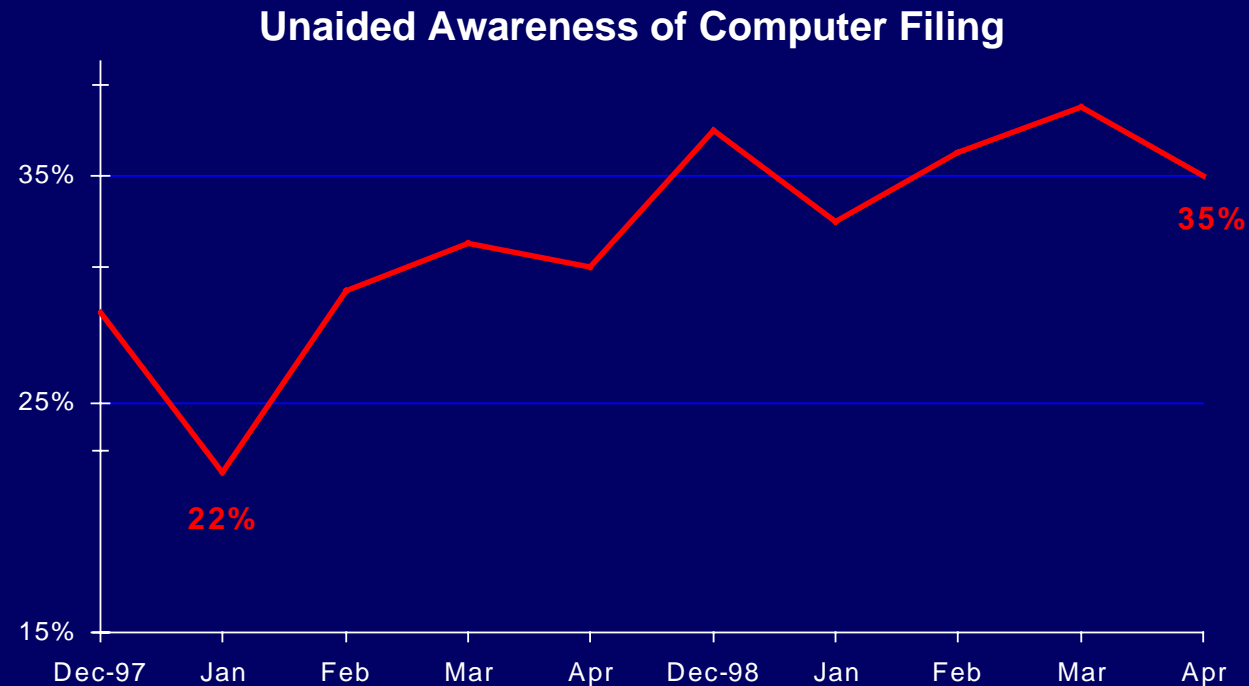


Q. 3: There are a number of ways taxes can be filed. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of. (T-3)

Source: Angell & Company (4/99)

BASE: Total Sample

Unaided Awareness of **Computer Filing** is also up significantly from its low (of 22%) in January of 1998.

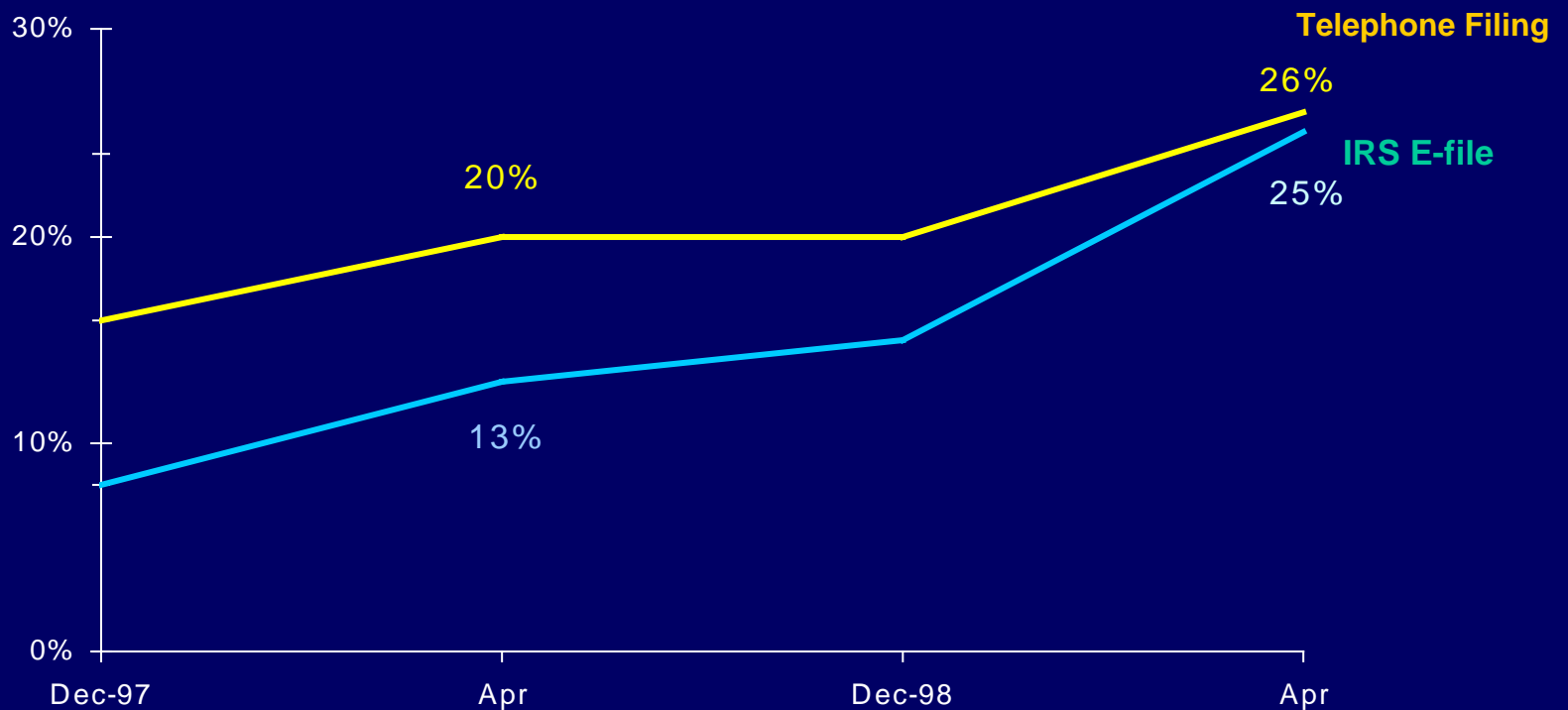


Q. 3: There are a number of ways taxes can be filed. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of. (T-3)

Source: Angell & Company (4/99)

BASE: Total Sample

On an April to April basis, both Telephone Filing and IRS E-file are up significantly.



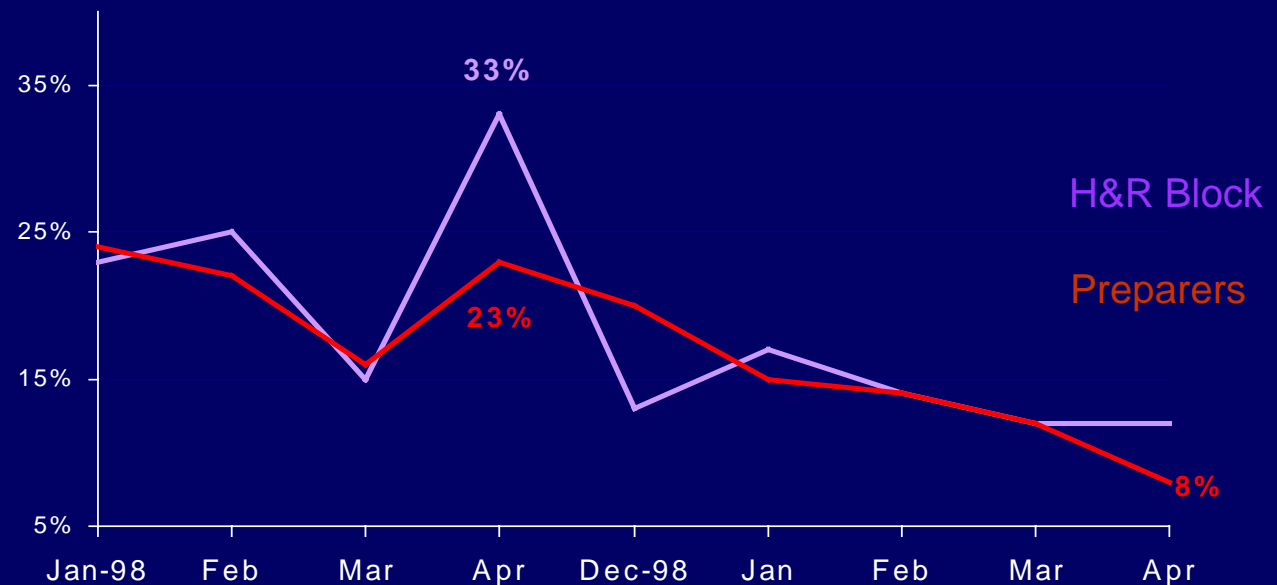
Q. 3: There are a number of ways taxes can be filed. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of. (T-3)

Source: Angell & Company (3/99)

BASE: Total Sample

Response for H&R Block has fallen from a high of 33% (April 1998) to only 12% this April.

Response for preparers has also declined (going from a high of 23% last April to 8% this April.)



Q. 3: There are a number of ways taxes can be filed. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of. (T-3)

BASE: Total Sample

## **Awareness of Ways Taxes Can Be Filed (Unaided & Aided)**

Respondents who did not mention “Electronic Tax Filing”, A Personal Computer’, ‘IRS E-file’, or “TeleFile” in response to the previous unaided question were next asked the following question:

**I’m going to read you a number of ways taxpayers can file their federal tax returns and, as I read each way, please tell me if you were aware of it before today. Let’s start with ... Before today, were you aware that you could file your federal tax return using ... ?**

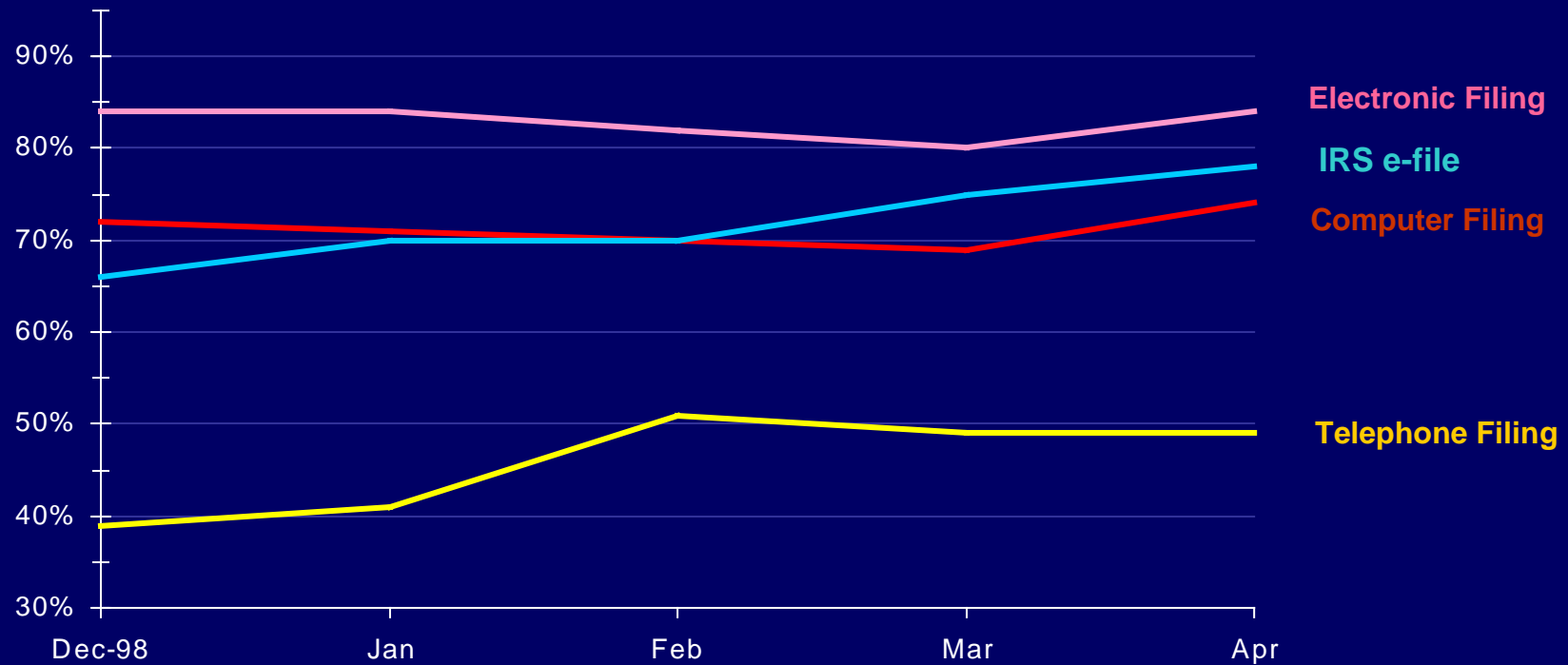
This response was combined with the ‘unaided’ response to form a **Total Awareness** measurement.



As the table on the following page indicates, Total Awareness of ...

- **Electronic Filing** declined slightly throughout the year, then rebounded in April, and finished the year at the level it started;
- **Computer Filing** followed the same pattern. That is, it declined slightly throughout the year, then rebounded in April, and finished the year at the level it started;
- **Telephone Filing** gained through March, gave back some of its gain, and **ended the year significantly above the December levels.**
- **IRS E-file** grew consistently throughout the year and **ended the year significantly above the December levels.**

## Total Awareness of Ways Taxes Can Be Filed



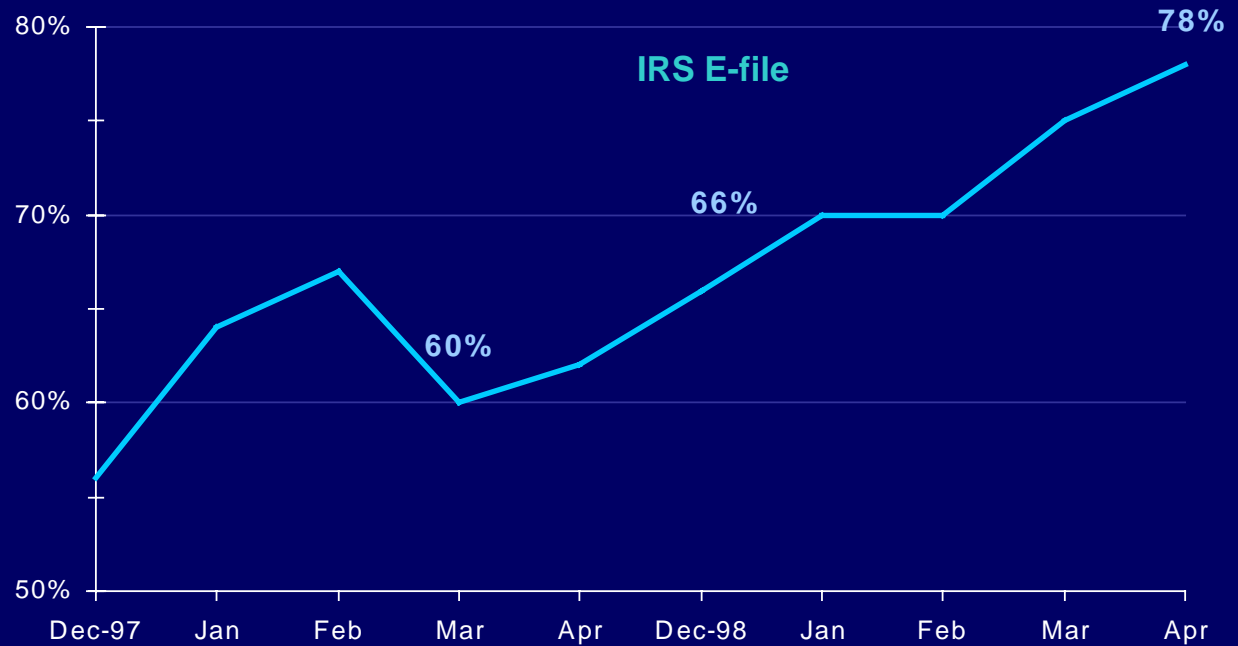
Q. 4: I'm going to read you a number of ways taxpayers can file their federal tax returns and, as I read each one, please tell me if you were aware of it before today. (T-4)

Source: Angell & Company (4/99)

BASE: Total Sample

## Total Awareness of Ways Taxes Can Be Filed

This table displays the strong Total Awareness growth of IRS e-file (especially since March of 1998.)

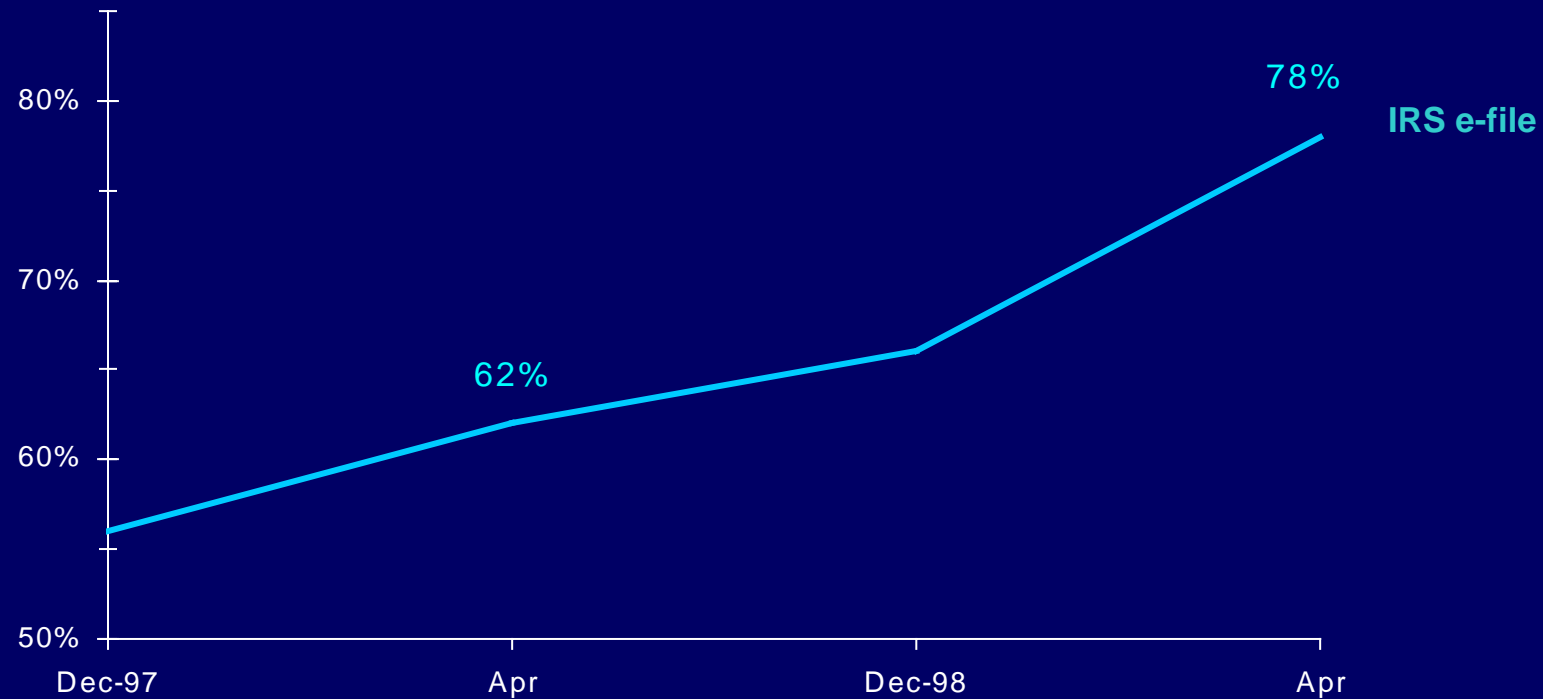


Q. 4: I'm going to read you a number of ways taxpayers can file their federal tax returns and, as I read each one, please tell me if you were aware of it before today. (T-4)

Source: Angell & Company (4/99)

BASE: Total Sample

On an April to April basis, only  
IRS E-file up significantly.



Q. 4: I'm going to read you a number of ways taxpayers can file their federal tax returns and, as I read each one, please tell me if you were aware of it before today. (T-4)

Source: Angell & Company (3/99)

BASE: Total Sample

# Behavior

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## Way Filed Tax Return

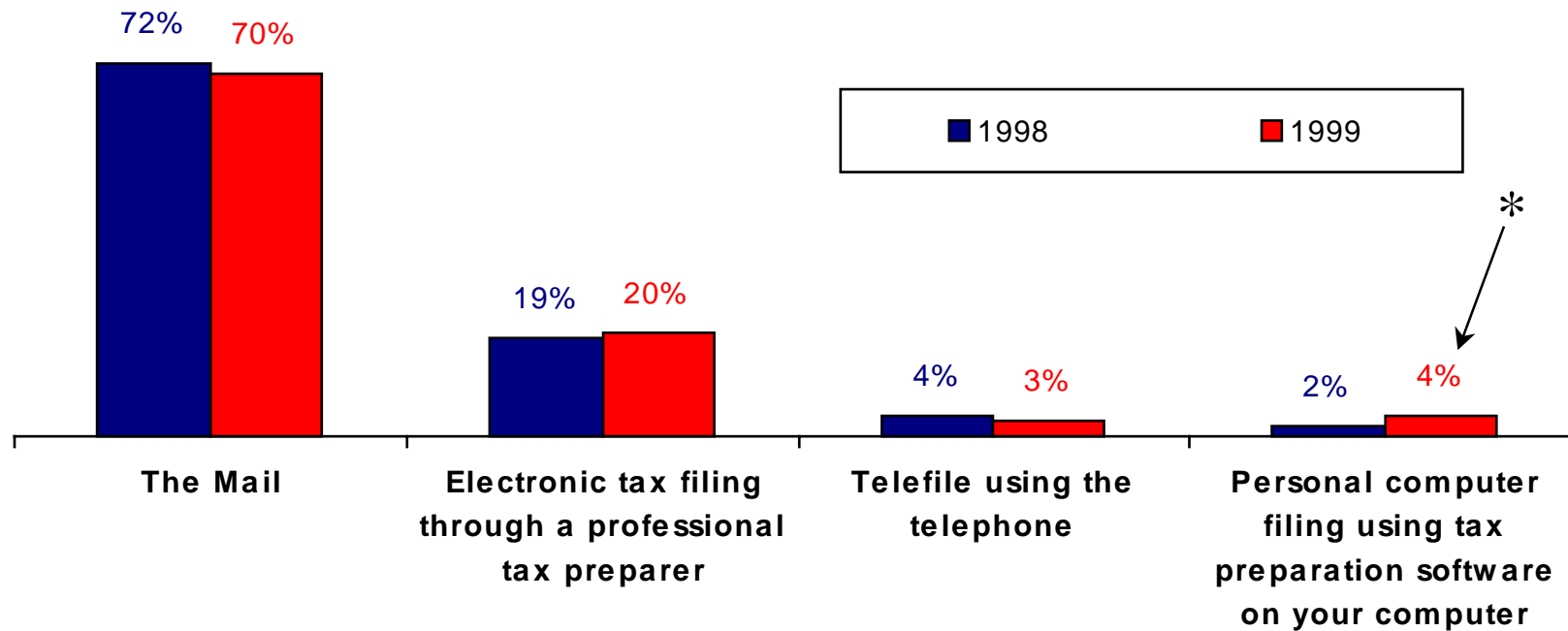
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Those respondents who indicated they had filed a return were asked the method they used for filing their return.

The table on the next page display the response based on the total number of interviews for each tax season interviewing year.

As the table indicates, usage of Personal Computer filing was up significantly, while usage of the Mail, Telephone, and Electronic Filing was unchanged.

## WAY FILED TAX RETURNS



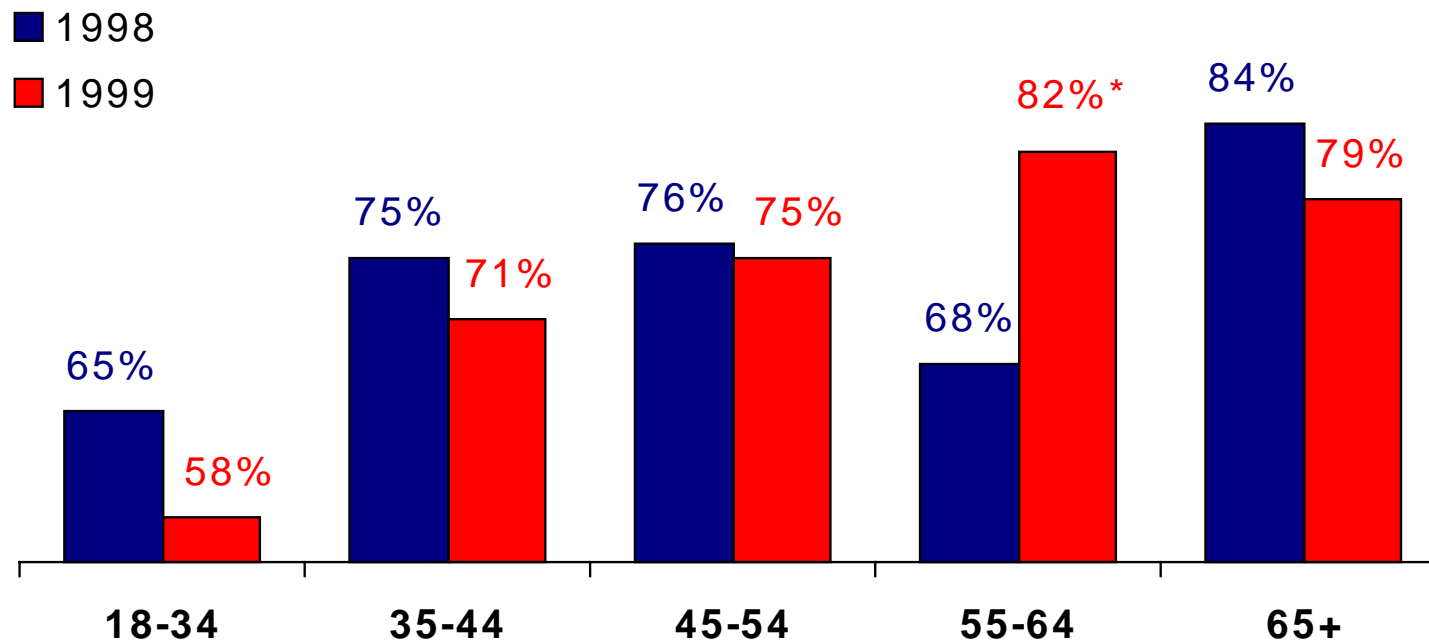
Q. 9: You said you filed a 199/1998 federal tax return with the IRS. Which way did you file? Did you use ... ?  
(Ts-11 & 9)

Source: Angell & Company (1999)

BASE: Total for year who said they have  
filed 1997/1998 return

With respect to **Mail** usage, the largest declines were derived from the youngest and the oldest taxpayers. But these declines were offset by increased mail usage by those aged 55 to 64.

### FILED TAX RETURN BY MAIL Demographic Changes by AGE

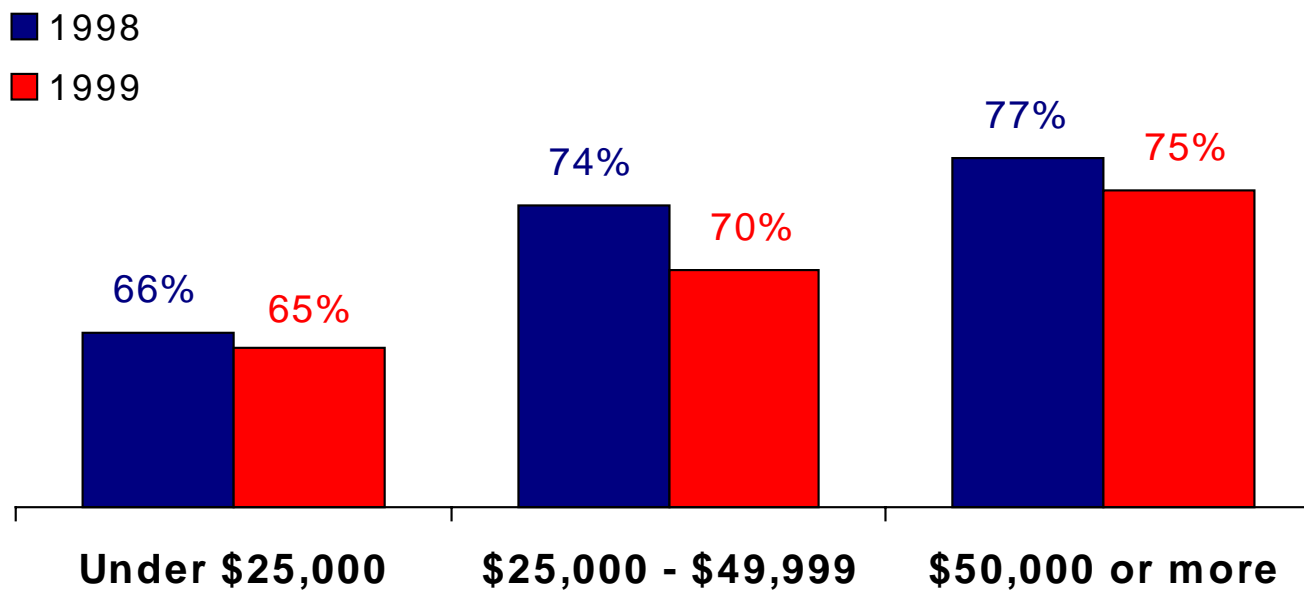


\*NOTE: Small bases.



With respect to **Mail** usage, all income groups were statistically unchanged (with lower income households displaying the least decline.)

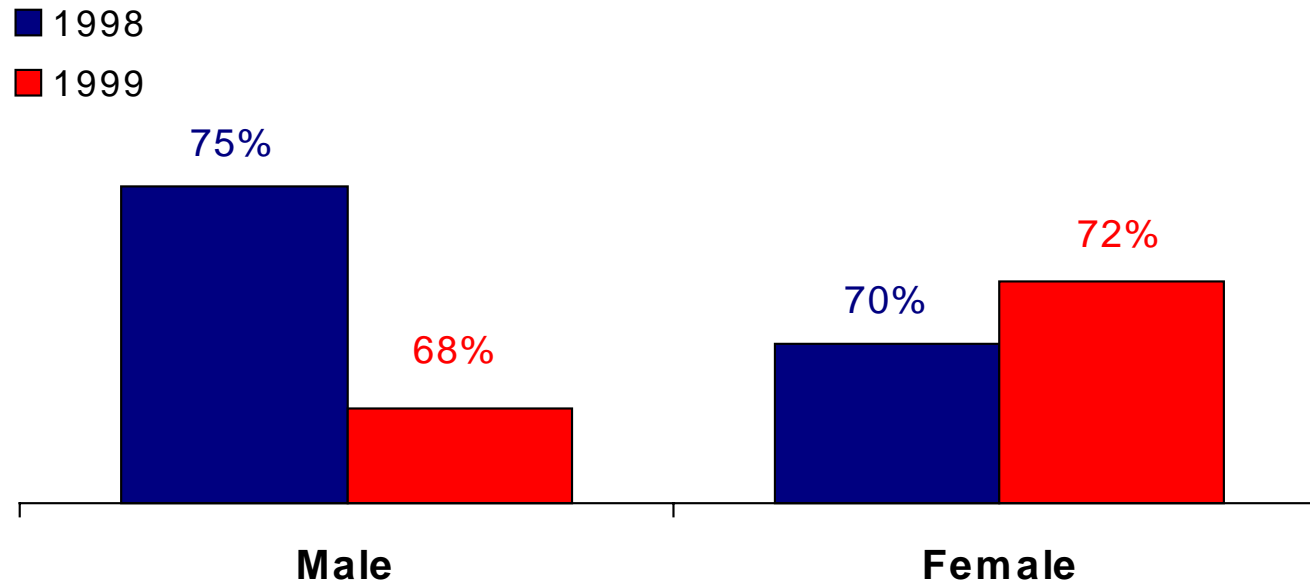
### FILED TAX RETURN BY MAIL Demographic Changes by INCOME



\*NOTE: Small bases.

With respect to **Mail** usage, the steepest decline in gender was among **males**.

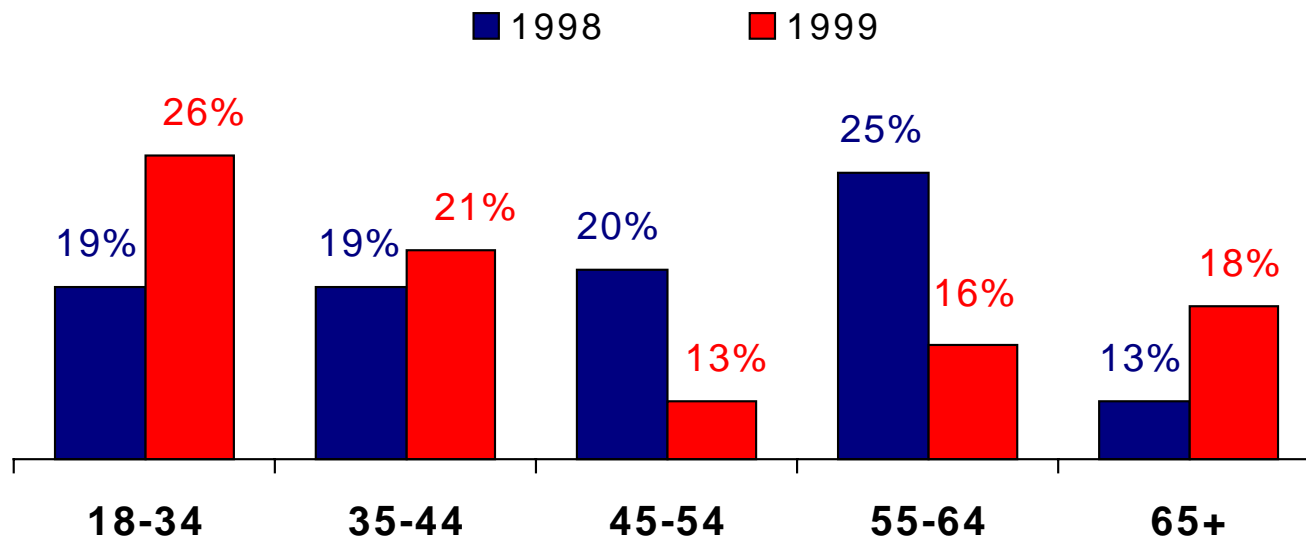
### FILED TAX RETURN BY MAIL Demographic Changes by GENDER



\*NOTE: Small bases.

With respect to **Electronic Filing** usage, the largest gains were among the **youngest** and the **oldest** respondents -- while 45 to 64 year old usage declined.

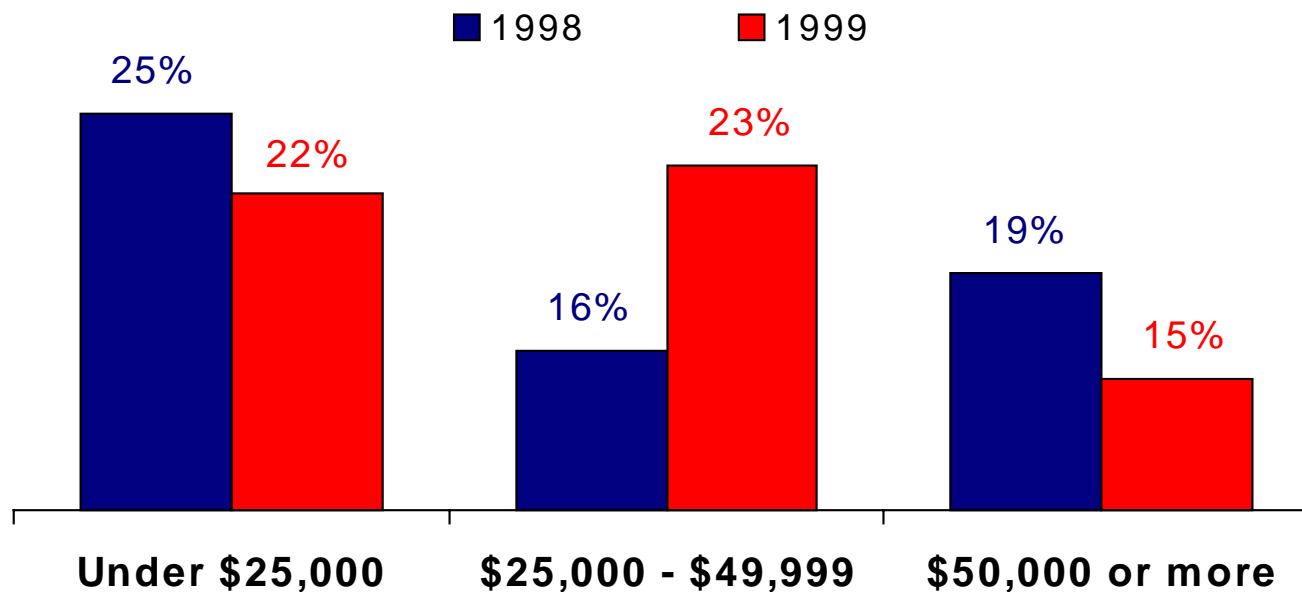
### FILED TAX RETURN BY ELECTRONIC FILING Demographic Changes by AGE



\*NOTE: Small bases.

Usage of **Electronic Filing** increased primarily among those earning \$25,000 to \$49,000 (while falling off slightly among the lowest and highest incomes.)

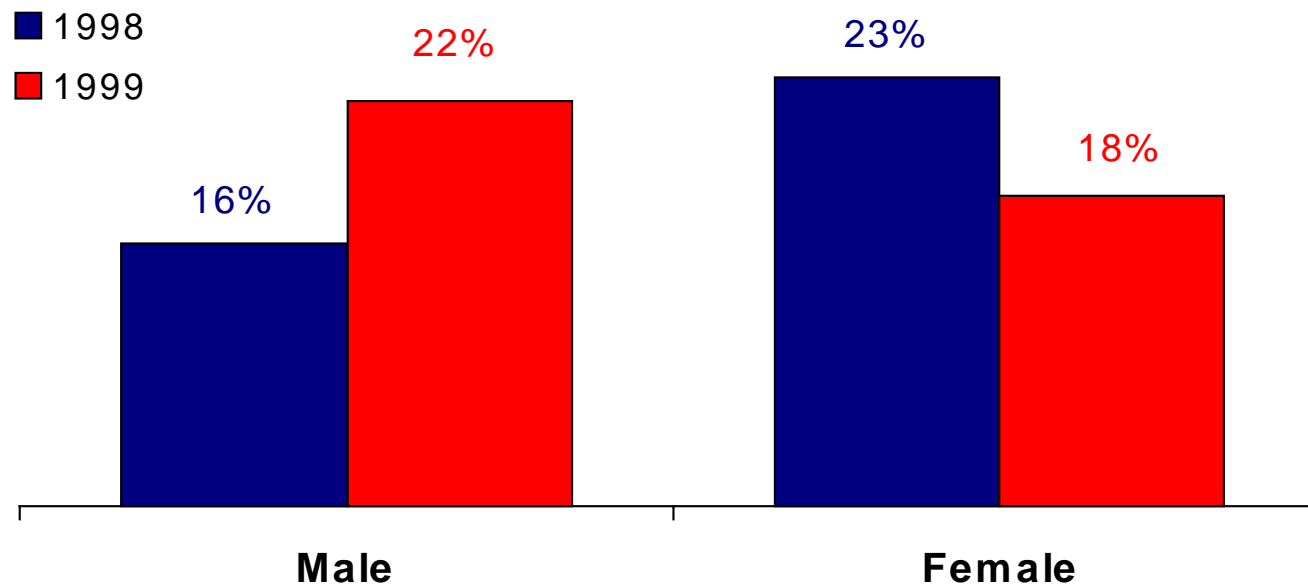
### **FILED TAX RETURN BY ELECTRONIC FILING Demographic Changes by INCOME**



\*NOTE: Small bases.

Usage of **Electronic Filing** grew nearly significantly among males while declining directionally among females.

### FILED TAX RETURN BY ELECTRONIC FILING Demographic Changes by GENDER



\*NOTE: Small bases.

# Conclusions

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## TeleFile

Unaided Advertising Awareness for TeleFile was unchanged in 1999 (and on an April to April basis.)

Total Advertising Awareness -- which is derived mainly from IRS Material mailings -- gained in 1999 (but never exceeded the 1998 numbers.)

Unaided Awareness of TeleFile, however, showed strong gains both on an annual and April to April basis.

Usage was unchanged.

	1999	April to April
Unaided Advertising Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Advertising Awareness		<b>+/-0</b>
Unaided Awareness		
Total Awareness		<b>+/-0</b>
Usage	<b>+/-0</b>	<b>+/-0</b>




## Electronic Filing

Unaided Advertising Awareness for Electronic Filing was unchanged in 1999 and on an April to April basis.

Total Advertising Awareness -- which is dominated by TV advertising -- gained in 1999 (but never exceeded the 1998 numbers.)

Unaided Awareness of Electronic Filing also gained in 1999 but did not exceed the levels achieved in 1998 (which were high to begin with.)

Usage of Electronic Filing was unchanged.

	1999	April to April
Unaided Advertising Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Advertising Awareness		<b>+/-0</b>
Unaided Awareness		<b>+/-0</b>
Total Awareness		<b>+/-0</b>
Usage	<b>+/-0</b>	<b>+/-0</b>







## Personal Computer Filing

Unaided Advertising Awareness for Personal Computer Filing was unchanged in 1999 (and on an April to April basis.)











However, Total Advertising Awareness -- which is dominated by TV advertising (but showed strong radio gains in 1999) -- increased significantly both in 1999 and on an April to April basis.

While Awareness (Unaided as well as Total) was unchanged, usage was up (although Computer Filing is still at modest levels.)

	1999	April to April
Unaided Advertising Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Advertising Awareness		
Unaided Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Awareness	<b>+/-0</b>	<b>+/-0</b>
Usage		

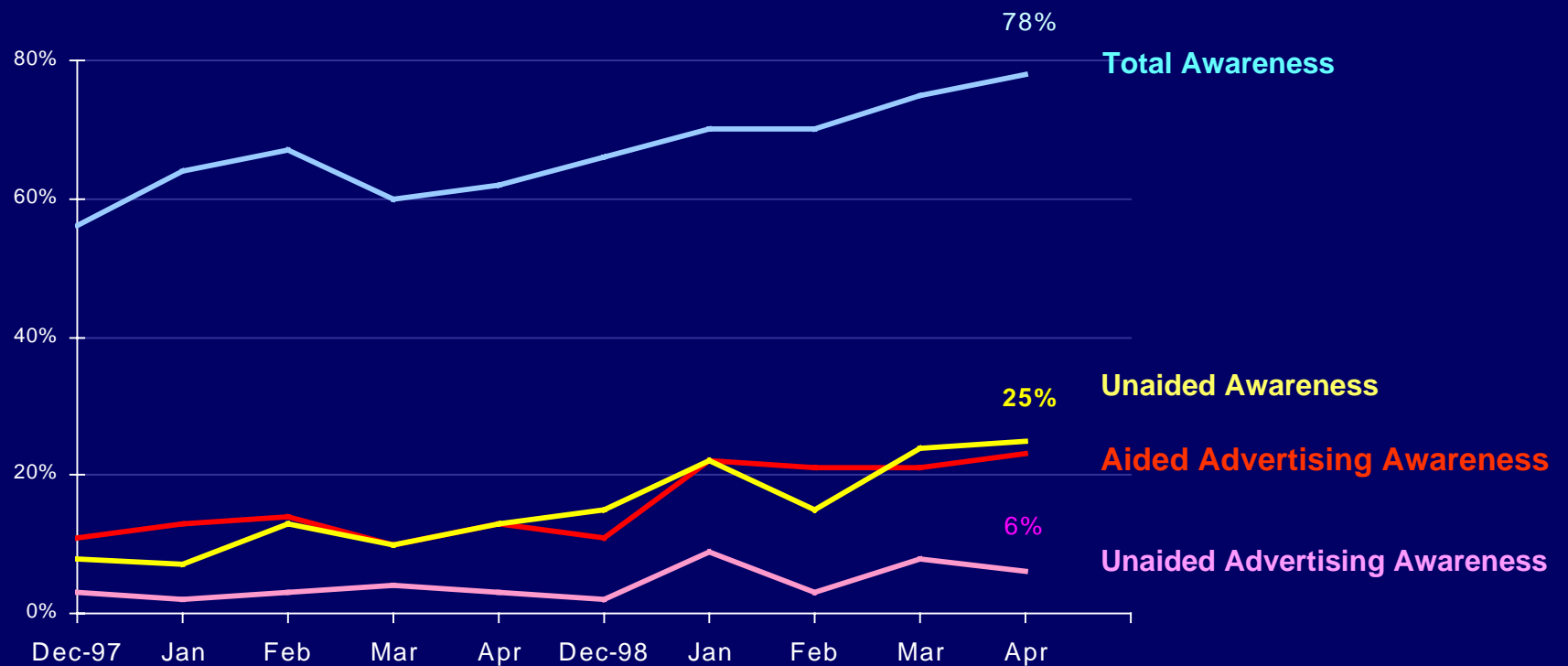
## IRS E-file

Clearly, IRS E-file is displaying significant gains on all of the major survey measurements.

	1999	April to April
Unaided Advertising Awareness		
Total Advertising Awareness		
Communicate "Twice as fast"		
Unaided Awareness		
Total Awareness		

## IRS E-file

This chart summarizes the growth of IRS E-file since the first wave of interviewing. Note that most of the changes were derived in 1999 and that a consistent pattern of growth is evident.



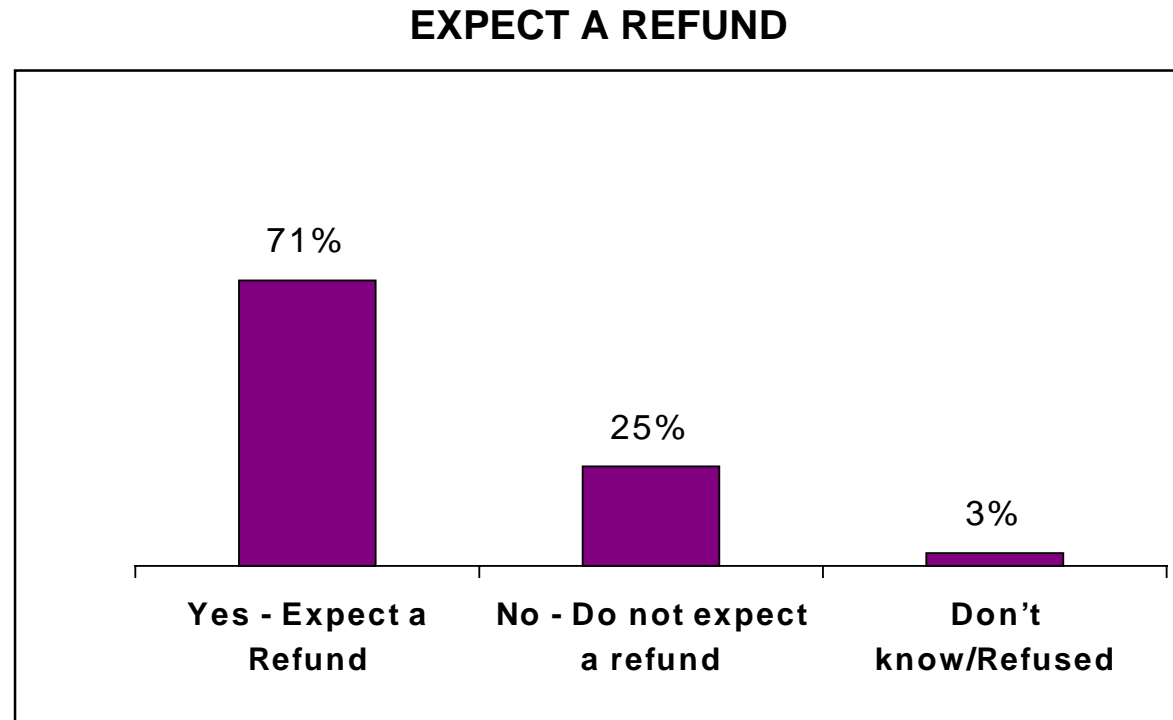
# The ‘Refunder’

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The following section of this report briefly examines the ‘refunder’ from a demographic, behavioral, and survey measurement perspective.

## Expect A Refund

71% of those interviewed who had filed their 1998 tax return said they expected to receive a refund on their tax return.



Q.: Do you expect to get a refund?

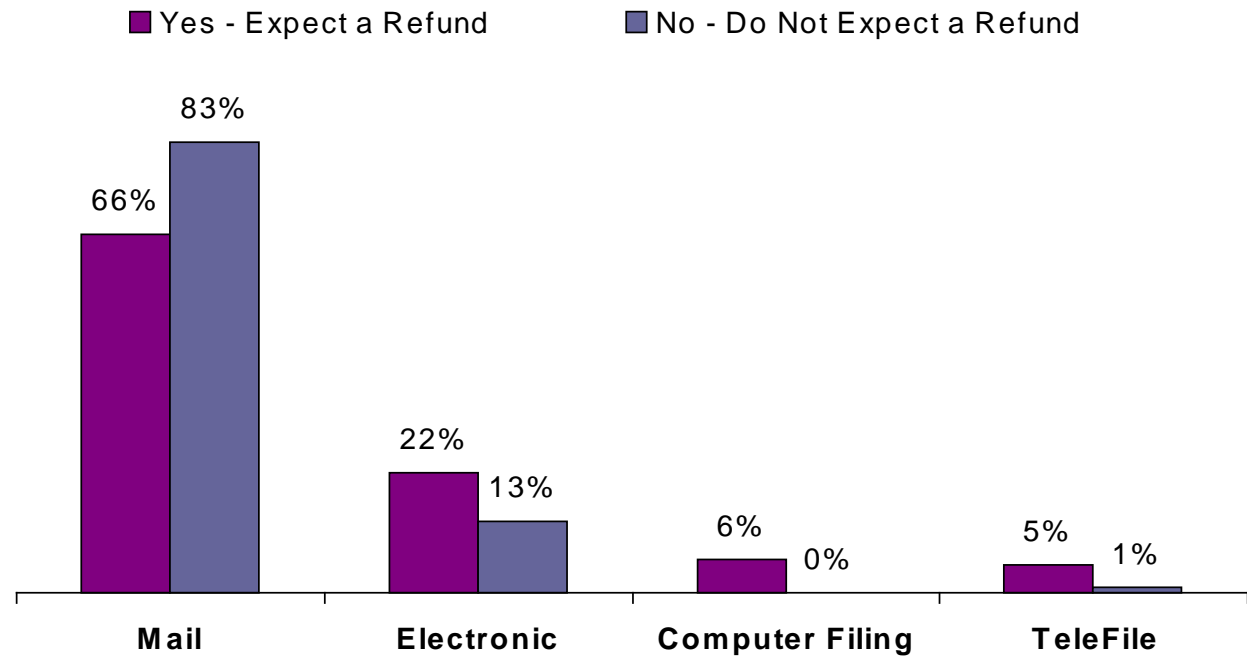
# Way Filed Tax Return

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Of those who filed a return ...

- 66% who expected a refund file via the Mail;
- 83% of those who did not expect a refund file via the Mail.

Note that those expecting a refund more often use electronic filing methods (as expected).

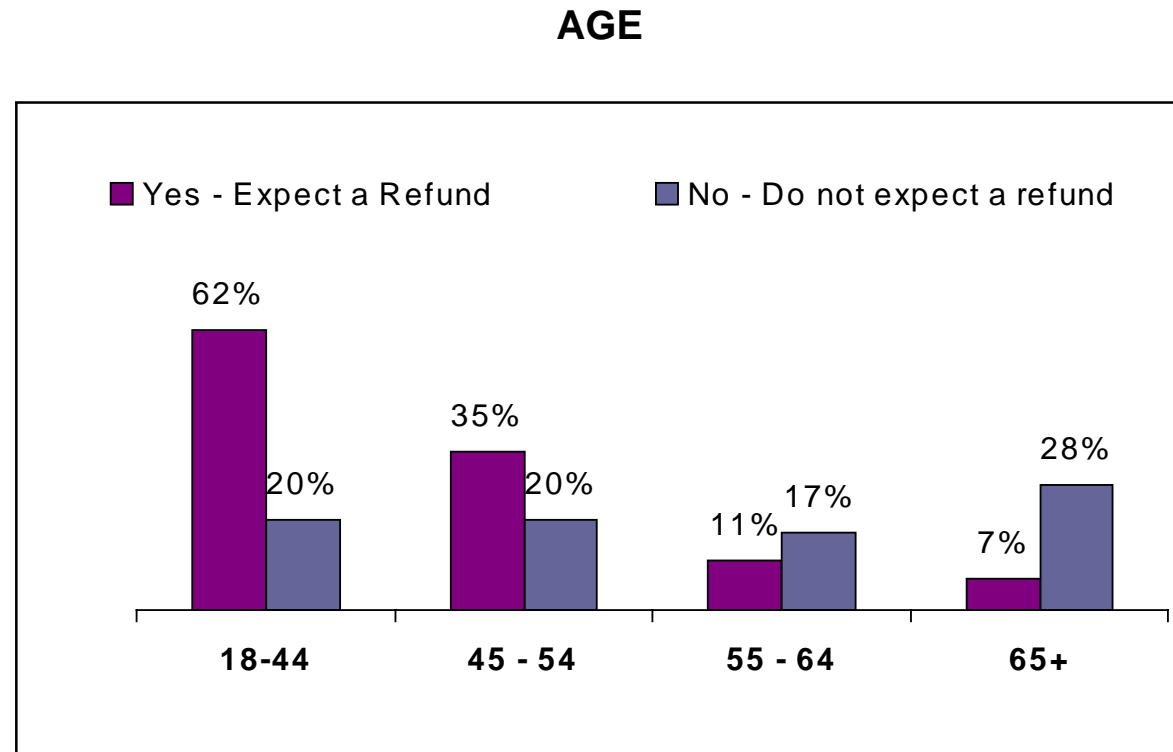


Q.: Which way did you file?

# **Understanding the Refunder**

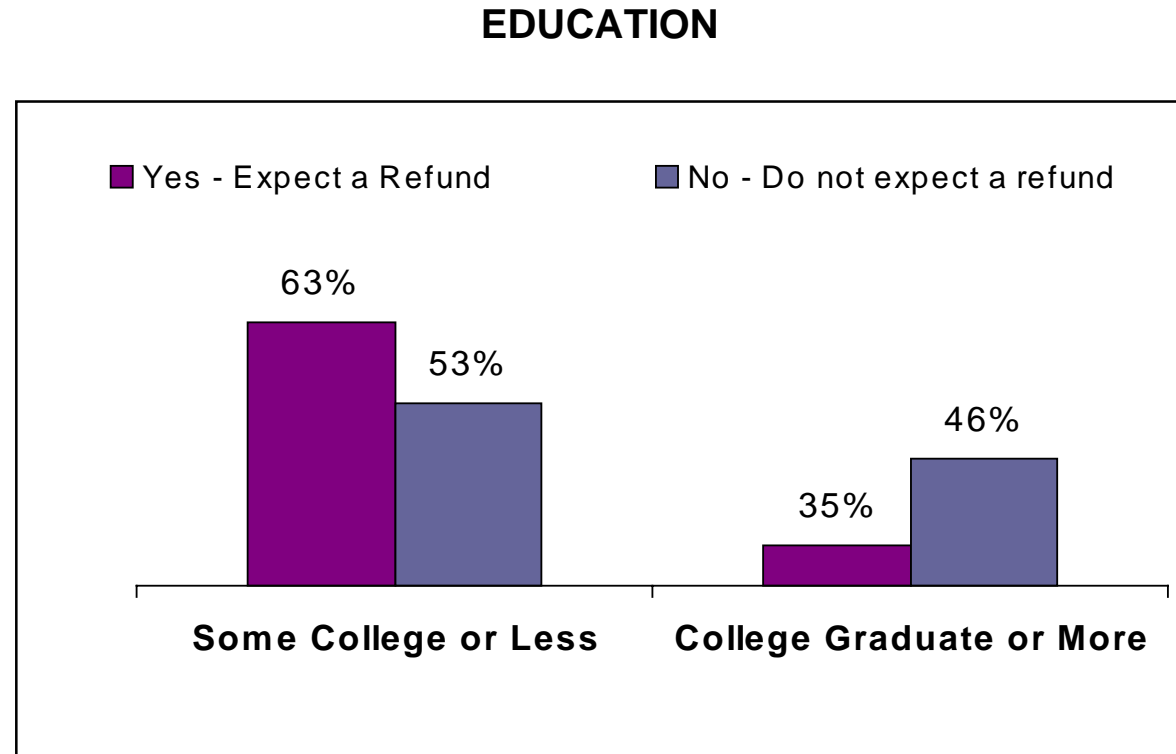
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Those who expected a refund were **younger** than those who did not expect a refund.



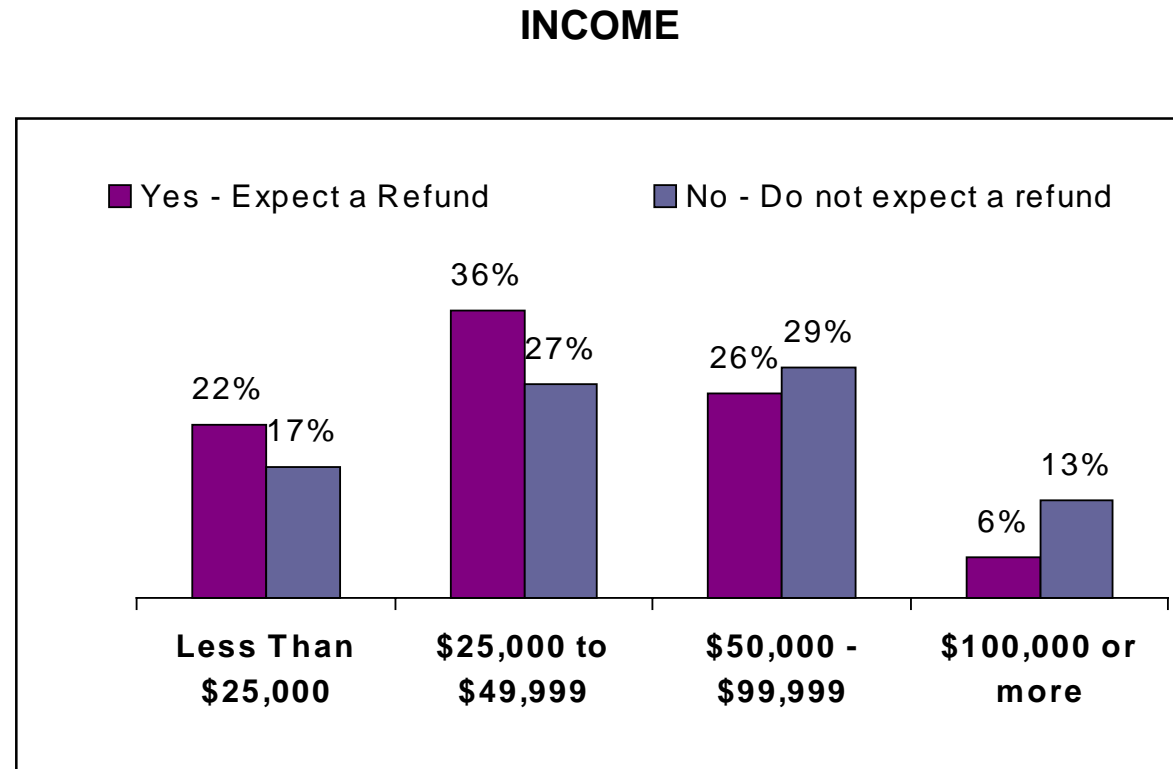


Those who expected a refund were **not as well educated.**



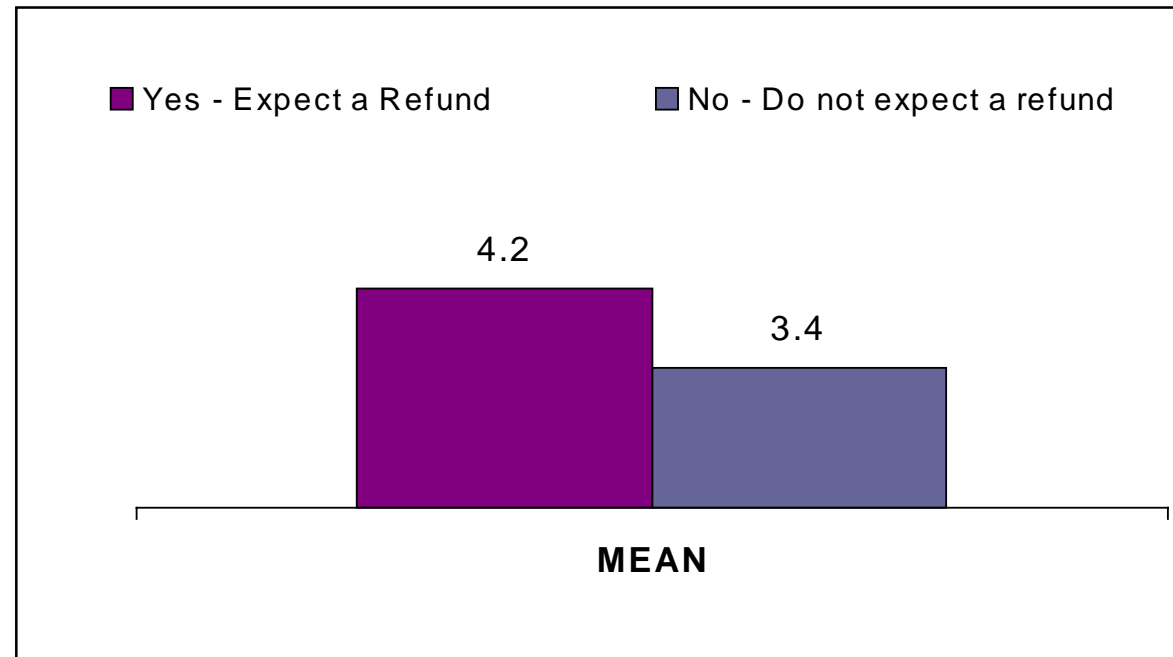
Those who expected a refund had relatively **lower incomes**.

Note that a large percentage had incomes of \$25,000 to \$49,999.



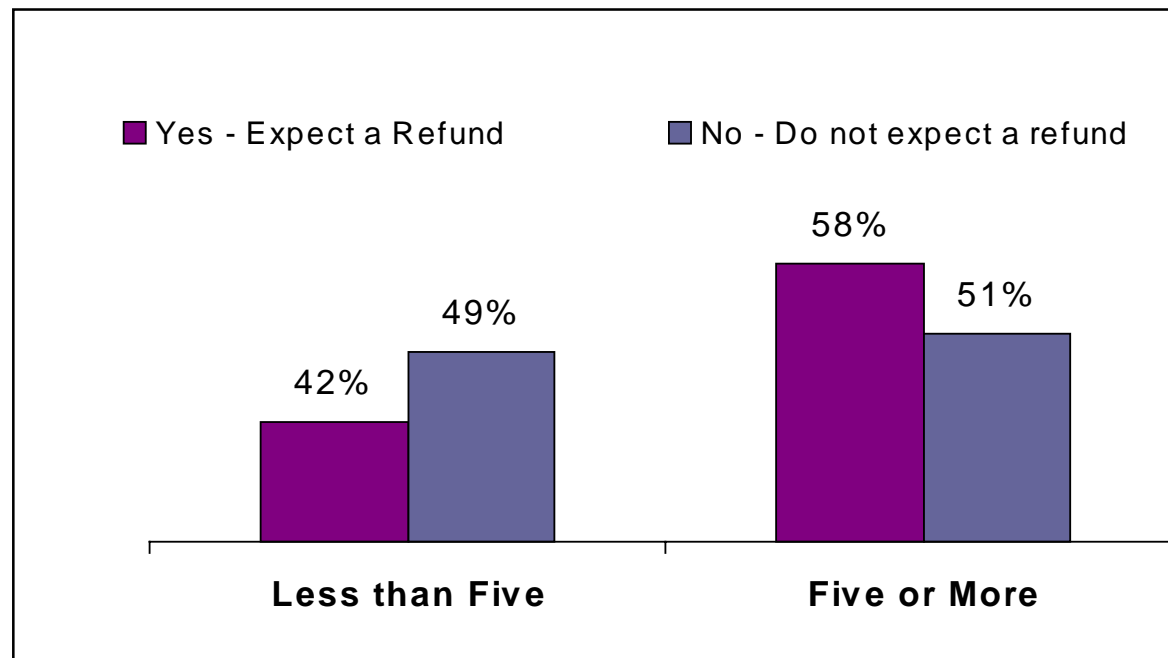
Those who expected a refund spent slightly more time on the Internet than their taxpaying counterparts who did not expect a refund.

### HOURS IN PAST WEEK ON THE INTERNET OR WWW

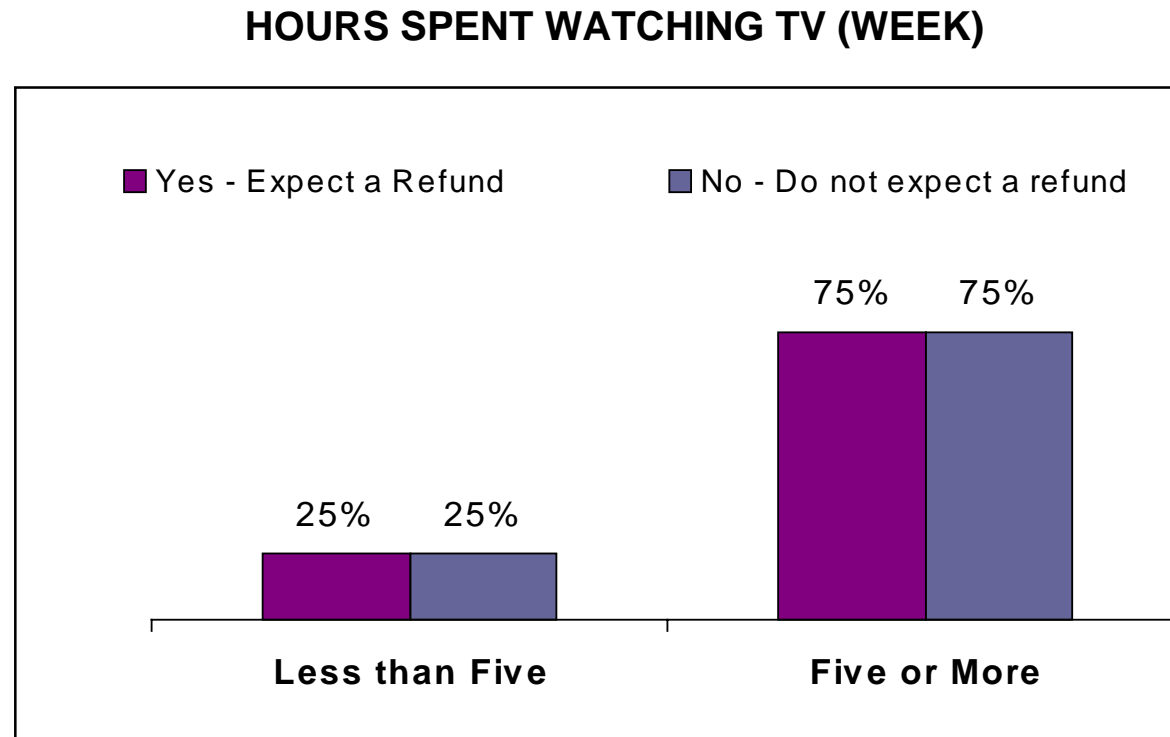


Those who expected a refund **spent more time listening to the radio** than those who did not expect a refund.

### HOURS SPENT LISTENING TO RADIO (WEEK)



There were no differences between those who expected a refund and those who didn't with respect to the hours they spent watching TV.

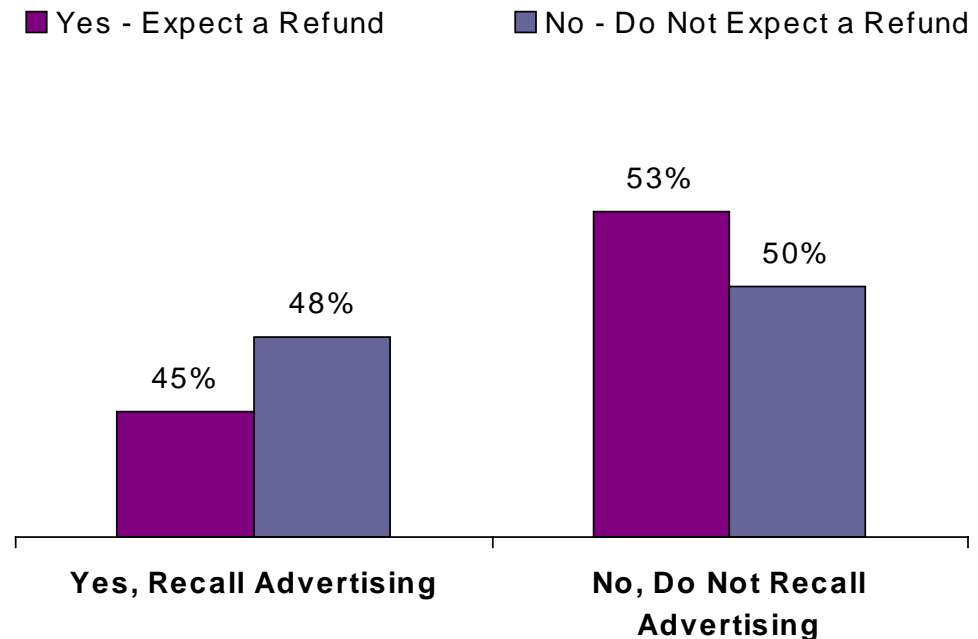


## **Response on the Key Survey Measurements**

## Unaided Awareness of Federal Tax Return Advertising

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There were no differences between those who expected a refund and those who didn't with respect to noticing advertising regarding different ways tax returns can be filed.



Q.: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed?

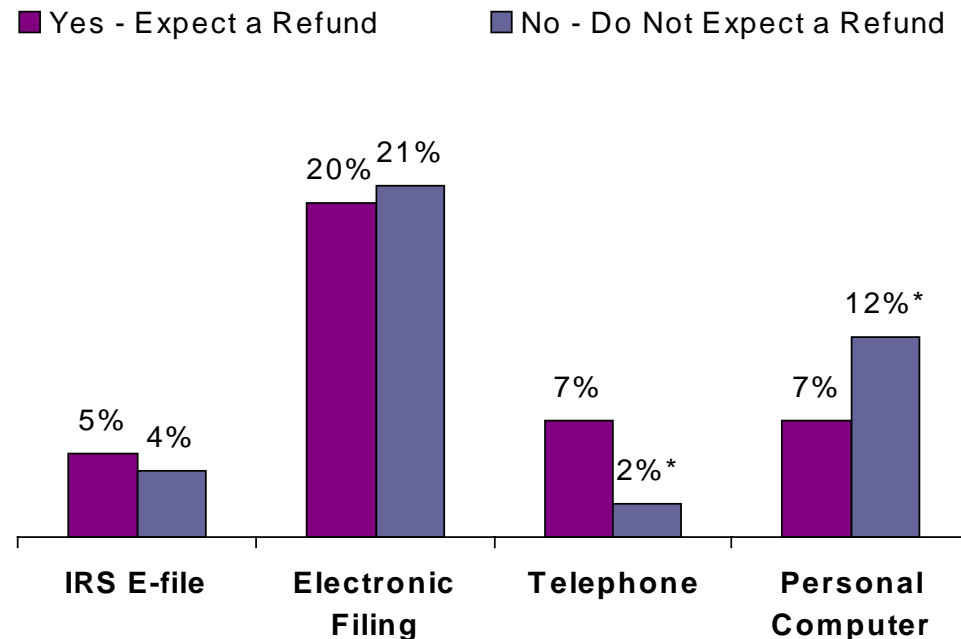
# Coded Advertising Recall

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On a coded basis, there were no difference between those expecting a refund and those who were not with respect to IRS E-file and Electronic Filing.

But those expecting a refund had ...

- higher recall of TeleFile advertising;
- lower recall of Personal Computer advertising.



Q.: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed? What did it say or talk about?

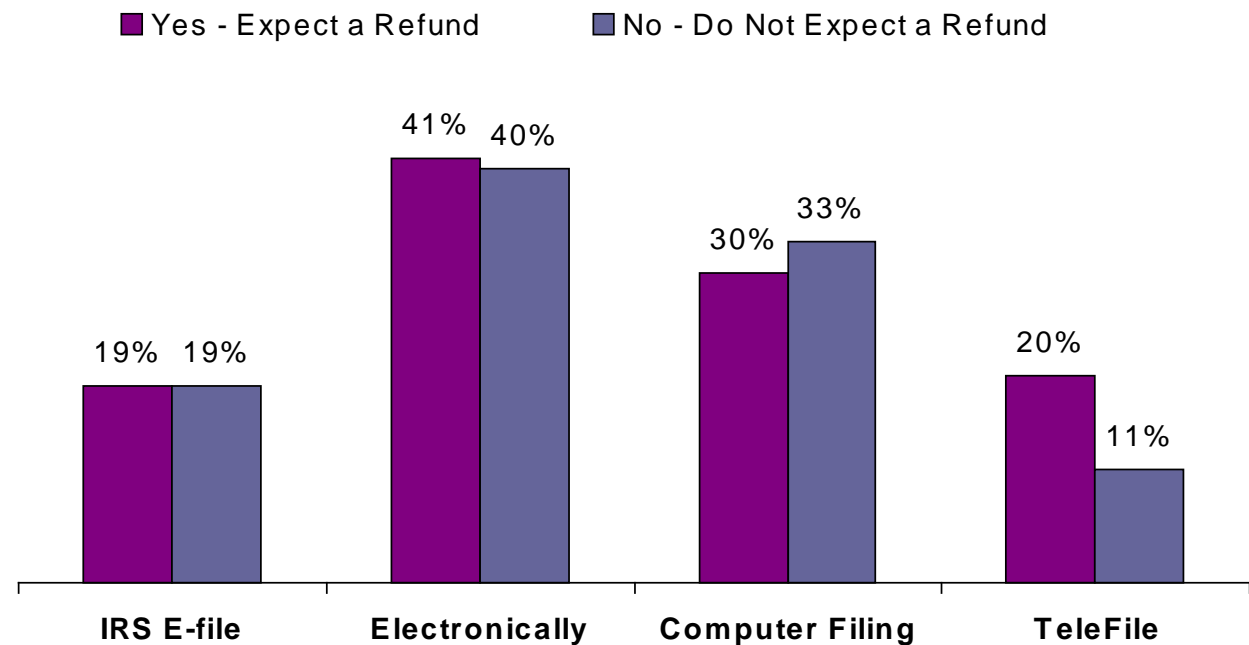


## Total Advertising Awareness About Ways Tax Returns Can Be Filed

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On a Total Advertising Awareness basis, those expecting a refund had higher response for TelFile than their taxpaying counterparts who did not expect a refund.

Otherwise, response was similar for both 'refunders' and 'nonrefunders'.

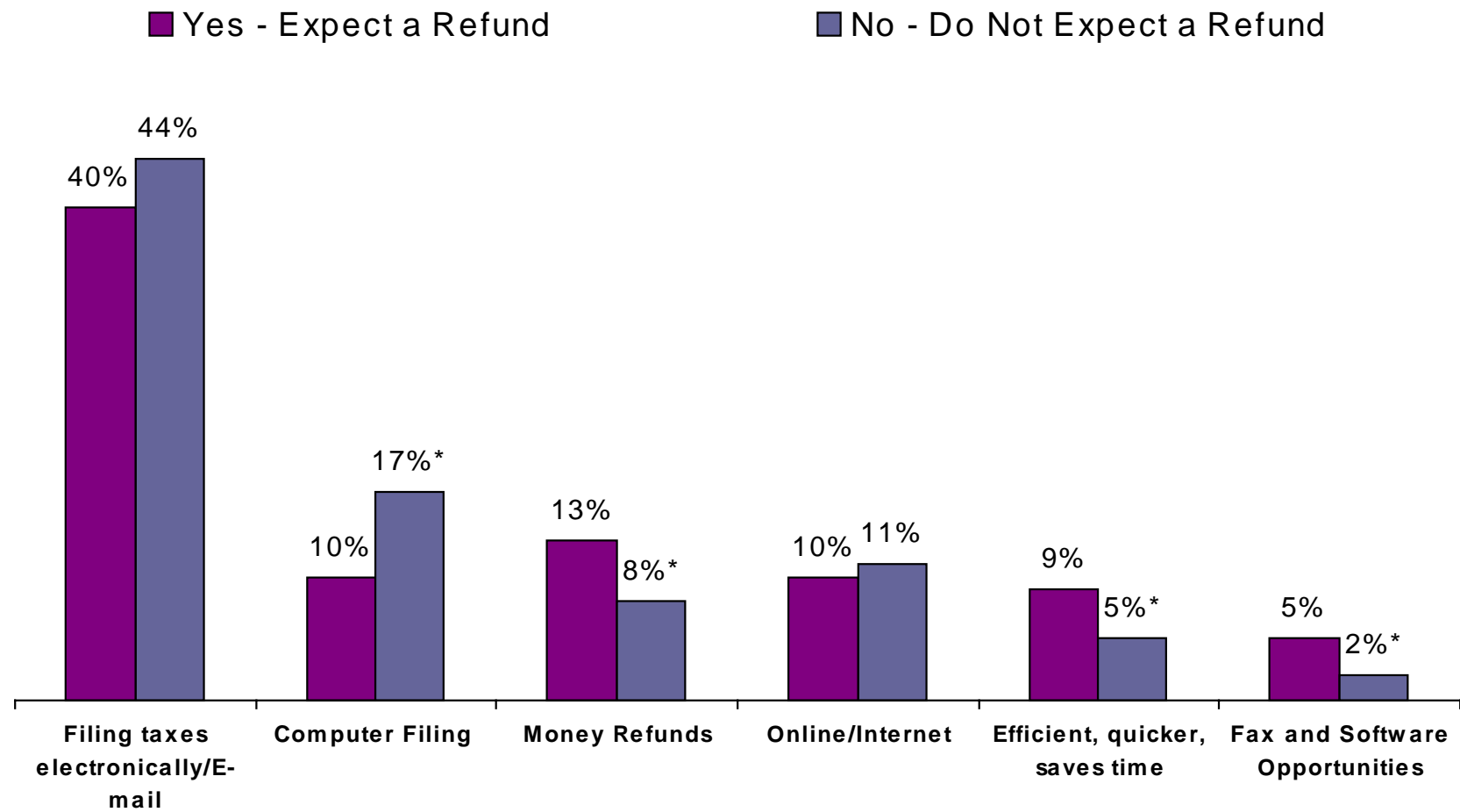


Q.: Do you recall seeing or hearing any advertising recently about ... ?

## **Total Copy Point Recall**

On a Total Copy Point Recall basis, and based off of those respondents who said they were aware of advertising, 'refunders' differed from 'nonrefunders' by mentioning ...

- lower recall of computer filing;
- higher recall of ...
  - money refunds;
  - efficient, quicker, saves time, and;
  - fax, software opportunities.



## Advertising Statements

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With respect to the specific advertising statements, 'refunders' differed from 'nonrefunders' by mentioning ...

- higher recall of the statement "Even if you are not getting a refund, you can still file electronically";
- lower recall of ...
  - "Refunds can be directly deposited to your bank account"
  - "Electronic Filing is accurate"

## RECALL OF SPECIFIC ADVERTISING FEATURES

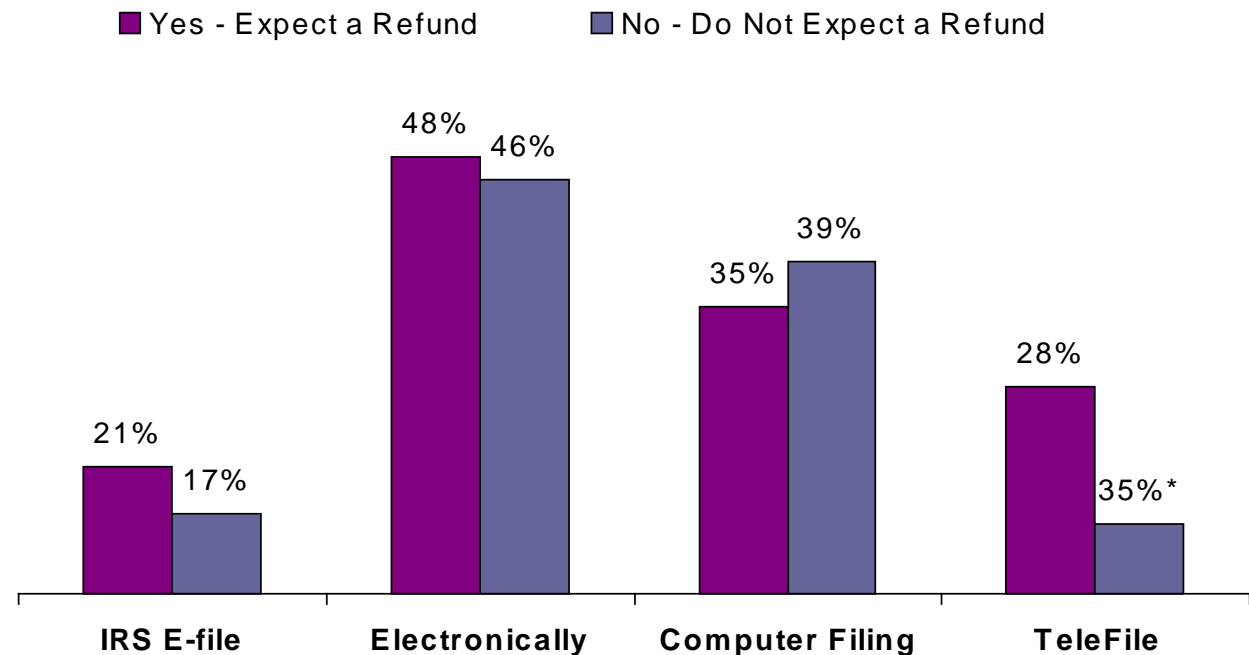
BASE: Total Sample	<b>Yes – Expect a <u>Refund</u> %</b>	<b>No – Do Not Expect a <u>Refund</u> %</b>
Taxpayers can file their returns electronically .....	54	57
Refunds can be directly deposited to your bank account .....	70	58
Taxpayers can file their return using their own personal computer .....	54	57
With IRS e-file, taxpayers get their refund twice as fast .....	53	48
Even if you are not getting a refund, you can still file electronically .....	41	48
Electronic filing is accurate .....	41	34
IRS E-file offers a number of convenient options for filing federal tax returns .....	30	27
There are many ways to e-file .....	20	21
Taxpayers receive proof of acceptance .....	15	15
Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours .....	16	16

Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised? (T-11a)

## Unaided Awareness of Ways Tax Returns Can Be Filed

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'Refunders' had higher Unaided Awareness than 'nonrefunders' only with respect to TeleFile.

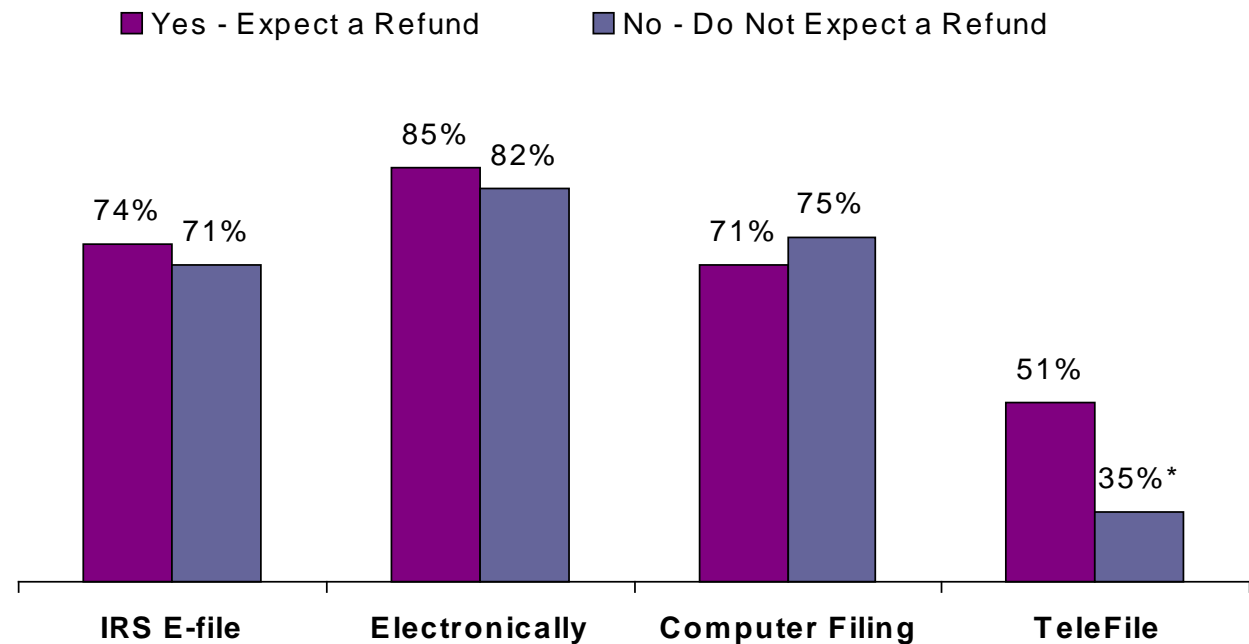


Q.: There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it to the IRS. But there are other ways to file a tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail.

## Total Awareness of Ways Tax Returns Can Be Filed

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'Refunders' had higher awareness on a Total basis than 'nonrefunders' only with respect to TeleFile.



Q.: Before today, did you know that you could file your federal tax return using ... ?

# Addendum

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Detailed printouts of tables are appended under separate cover.